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FINANCIAL TIMES

Europe's Business Newspaper — MONDAY MARCH 8 1993 — D8523A

Tokyo may adopt new approach to trade with US

Japan plans to adopt a new approach to trade policy with the US, based on formal rules and procedures for settling trade disputes rather than political deals, according to Japan's top trade negotiator, Noboru Hatakeyama.

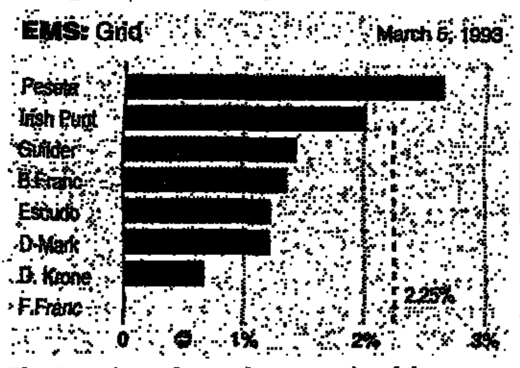
He said Japan wanted to eliminate emotion and politics from the settlement of trade disputes. "We have given a lot of consideration to US industry; we accepted their request to come up with an import goal for semi-conductors. From now on, we want a trade policy governed by rules set by Gatt. Page 14; Clash of big battalions, Page 5; Kanemaru quizzed on 'tax evasion', Page 5; Observer, Page 13

Glaxo, *Europe's biggest drugs group, has been* accused by the US Food and Drug Administration of making false and misleading statements about Zantac, the world's best-selling medicine with annual sales of about £2bn. Page 15

BT plans US operation: British Telecom plans this week to apply to US authorities for permission to operate domestic and international telephone services in the US. The application is expected to face stiff opposition from BT's US competitors, AT&T, Sprint and MCI. Page 14

Barclays Bank chief pledges change: Andrew Buxton, chairman and chief executive of Barclays Bank, responded to investors' criticism by promising that "a significant part" of his responsibilities would be passed to a new senior executive this year. Page 14

European Monetary System: The French franc is still trading at the bottom of the European exchange rate mechanism grid despite Germany's recent cut in money market interest rates. The cut of almost a ¼ point in the rate at which the Bundesbank provides wholesale funds to commercial banks may have prevented the French franc falling below FFr3.40 to the D-Mark at the end of last week. But the franc's divergence from its central rate against the Ecu increased over the course of last week from -43 percentage points to -46. The Spanish peseta remains at the top of the grid. Currencies, Page 25



The chart shows the member currencies of the exchange rate mechanism measured against the weakest currency in the EMS's narrow 2.25 per cent fluctuation band. In practice, currencies in the narrow band cannot rise more than 2.25 per cent from the weakest currency in that part of the system. The Spanish peseta and Portuguese escudo operate with 6 per cent fluctuation bands.

Cult siege stand-off continues: Efforts to end the eight-day siege in Texas, US, by 400 FBI agents of a farm compound containing cult leader David Koresh and around 100 people, reached a stalemate.

Banks' Bombay exposure raise: The total problem exposure of banks involved in the Bombay securities market scandal is Rs40.2bn ($1.24bn), or Rs4.8bn larger than originally estimated, according to the Reserve Bank of India. Page 4

Kenya reforms at risk: Bold steps by the Kenyan government to liberalise its economy were in jeopardy after International Monetary Fund officials failed to agree a provisional deal that would allow restoration of foreign aid. Page 4

Afghans sign peace accord: Afghanistan's rival leaders signed an agreement in Islamabad, Pakistan, to end factional fighting which has killed thousands of civilians since they overthrew the former communist government last April but postponed deciding the new cabinet for 15 days. Page 4

Thomas Cook, the travel agency and financial services group, was considering final details of a tender offer for shares in Owners Abroad, the tour company fighting a hostile bid from rival Airtours. Page 15

MTV Europe, the UK-based satellite rock music channel, is producing revenues of $60m-$70m a year. The hitherto undisclosed figures are at least double what analysts believed. Page 15

American Express, the US financial services group, is planning to sell more than half its majority stake in First Data Corporation, in a disposal that could bring $1.2bn into American Express, which saw a profits setback last year. Page 17

UK government braced for treaty defeat: The UK's ruling Conservative party was last night braced for the possibility of a parliamentary defeat over the Maastricht treaty on European unification. Page 6

Swiss vote on petrol and casinos: Swiss voters backed an increase in petrol tax and the legalisation of casinos. A proposal to ban medical experiments on animals was substantially rejected.

Warning on German standing in Nato: *Germany's credibility and reliability within Nato* was being questioned by its allies, General Klaus Naumann, chief of the armed forces, warned.

Austria	Sch30	Greece	Dr300	Lux.	LFr60	Qatar	QR12.00		
Bahrain	Din1.250	Hungary	Ft172	Malta	Lm0.60	S.Arabia	SR11		
Belgium	BFr60	Iceland	IKr180	Morocco	MDh13	Singapore	S$4.10		
Bulgaria	Lw25.00	India	Rs40	Neth.	Fl 3.75	Slovak Rp	Kcs45		
Cyprus	C£1.00	Indonesia	Rp3800	Nigeria	Naira25	Spain	Pta200		
Czech Rp	Kcs45	Israel	Shk5.90	Norway	NKr16.00	Sweden	SKr15		
Denmark	DKr15	Italy	L2700	Oman	OR1.50	Switz	SFr3.20		
Egypt	E£4.50	Jordan	JD1.50	Pakistan	Rs35	Syria	S£50.00		
Finland	FM12	Korea	Won 2500	Philippines	Pso45	Thailand	Bht50		
France	FFr8.50	Kuwait	Fils.600	Poland	Zl 22,000	Tunisia	Din1.250		
Germany	DM3.30	Lebanon	US$1.25	Portugal	Es215	Turkey	L7000		
						UAE	Dh11.00		

Italians angered by decrees on illegal funding

By Haig Simonian in Milan

ITALY'S judiciary and opposition parties reacted with hostility yesterday to a cabinet decision which would sharply reduce the political impact of the corruption investigations sweeping the country.

Mr Francesco Saverio Borrelli, the chief public prosecutor in Milan, the city where investigations began, said the result of the cabinet's decrees would be "the total paralysis of the investigations and the impossibility to discover the facts of who was responsible".

Mr Carlo Ripa di Meana, environment minister, last night resigned from the government to show his opposition to the decision. Mr Ripa di Meana, who resigned from the Socialist party last month, is the fourth minister to have quit in less than a month.

Mr Gerardo D'Ambrosio, deputy public prosecutor in Milan, the city where investigations began, said "the public will find it difficult to accept that those being accused should decide to let themselves off".

He added: "What we've done, and what they don't tolerate, is that we've reached a trigger point, we've got to the heart of the system".

The decrees, approved by the cabinet on Friday night, would transfer responsibility for investigating illegal political funding from magistrates to politically appointed regional prefects. They would also make the offence punishable by fines and prohibition from elected office, rather than by prison.

The plans represent an attempt to distinguish the widespread practice of illegal funding from the more "serious" crimes of demanding and paying bribes, which would remain criminal offences.

Magistrates in Milan met yesterday to consider the implications of the decrees, which would absolve many of the politicians now under scrutiny. A spokesman for the national magistrates' association expressed concern about the measures and the use of decrees to push them through.

The strength of the opposition to the government's plans, broadly reflected in leading newspapers, suggests ministers will face a hard time obtaining the necessary support for the proposals, which can become law immediately but must subsequently be backed by parliament.

Even some members of the four-party governing coalition expressed disquiet. Mr Mino Martinazzoli, leader of the majority Christian Democrats, said he was uneasy about the constitutional

Continued on Page 14
Italian steel subsidies threatened, Page 14

Germany's far right makes big gain in polls

By Christopher Parkes in Frankfurt

GERMANY'S extreme right-wing Republicans stole votes from mainstream parties to make sweeping gains in local and city elections in the state of Hesse yesterday.

The results stunned the Social Democrats (SPD), and gave an unexpected lift to Chancellor Helmut Kohl's Christian Democrats (CDU), especially in large cities.

Against all expectations, the SPD share of the vote slumped by 7 per cent, while the CDU lost only about 2 per cent of its support, according to early estimates.

The CDU displaced the SPD as the largest single party in the Franfurt and Kassel city councils, exit polls showed.

In Frankfurt, the largest and richest city in the state, the Republicans, led by Mr Franz Schönhuber, a former SS officer, took 10 per cent of the vote. In one depressed part of the inner city they gained 14 per cent.

The CDU, which won 33 per cent against the SPD's 31 per cent share, ruled out any coalition with the Republicans. The likely outcome appeared to be a governing coalition comprising SPD, CDU and the Greens, the environmental party.

Fewer than 70 per cent of voters went to the polls, compared with a 77 per cent turnout in the last election in 1989. Statewide, the Republicans collected an estimated 7.7 per cent, compared with less than 1 per cent for far-right parties last time.

However heartening for the embattled Mr Kohl, the result – in one of the richest German states – will fuel domestic and international fears about the rise to respectability of Germany's extreme right wing.

The result is likely to concentrate efforts by the government and opposition in Bonn to fill the political vacuum at the centre before next year's wave of state, European and federal parliamentary elections.

The ruling coalition and opposition are at present hopelessly divided on a range of issues, including a solidarity pact to pay for German unification and the apparently unstoppable flood of asylum seekers. Voters are also increasingly anxious about the economy's slide into recession and rising unemployment.

While the Republicans gained support for their policies of containing immigration and deporting "criminal foreigners", other smaller parties also benefitted from protest votes.

The Greens, which are not currently represented in the federal parliament, increased their support in Frankfurt from around 10 per cent to almost 15 per cent.

The liberal Free Democrats failed to take enough votes to gain representation on the city council, but they improved their standing statewide with an estimated 6 per cent of the vote.

The Republicans, which put up candidates in 22 of 26 areas, compared with two in the 1989 election, are expected to take 11 seats in the Frankfurt council.

The party overcame public disapproval which forced it to limit its electioneering.

Lex, Page 14

Commanders will hold talks on ceasefire to evacuate wounded

UN steps up efforts to aid Moslems in Bosnia

By Laura Silber in Belgrade

UNITED NATIONS officials will make renewed efforts today to get emergency relief to thousands of Moslem refugees trapped by fighting in eastern Bosnia.

They are due to hold negotiations with Bosnian Serb commanders on the evacuation of the wounded from Konjevic Polje, a Moslem enclave in eastern Bosnia-Hercegovina, and the despatch of relief to nearby Srebrenica, whose population has doubled to 60,000 with refugees seeking sanctuary despite worsening conditions in the town.

General Phillipe Morillon, commander of UN forces in Bosnia, is expected to meet General Ratko Mladic, Bosnian Serb commander, and General Sefer Halilovic, Bosnian army chief, in Sarajevo to try to arrange a ceasefire in eastern Bosnia and send in UN military observers.

While UN officials press for the evacuation, Serb commanders are trying to link any agreement with an exchange of Serbs from Moslem-held regions of Bosnia.

Amid reports of dire conditions in Srebrenica, six US aircraft early yesterday parachuted 38 tonnes of food and medical supplies over the enclave.

A doctor of the World Health Organisation who got to Srebrenica on Saturday said about 2,000 people were reported to be sick and wounded in the town above the River Drina.

Dr Simon Mardel estimated that 200 seriously wounded people needed to be evacuated urgently and that an additional 9,000 women, elderly and children were seeking safe passage.

"This is the worst situation brought to my attention since I came to former Yugoslavia in July," Sir Donald Acheson, WHO special representative, said after hearing Dr Mardel's report.

Gen Morillon, after crossing Serb lines on Saturday on a fact-finding mission to Cerska, said *there did not appear to* be evidence of atrocities.

Amateur radio operators in Bosnia last week said hundreds of Moslems had been killed when Serb forces seized the town.

"We have seen evidence where most of the houses were shelled or burned but I did not see any evidence of massacres," Gen Morillon said. Bosnian Serb forces have blocked relief agencies from reaching Cerska since the war began.

Relief workers said at least 175 wounded and sick needed to be evacuated urgently from Konjevic Polje.

Local leaders say the hamlet's population has swollen to 35,000 people, half of whom are refugees from Cerska. Konjevic Polje was the target of the US air-drop for two nights last week. Mr Laurens Jolles, of the UNHCR, said: "The brown packages were everywhere. Many people were chewing gum. The name Clinton was on everybody's lips."

Bosnian talks in balance, Page 3
A brief to build bridges, Page 12

Gen Phillipe Morillon, UN commander in Bosnia, addresses a press briefing after returning from Cerska

British supercomputer sale to US laboratory sparks row

By Louise Kehoe in San Francisco and Alan Cane in London

A ROW is brewing in the US over the decision of one of the country's top weapons laboratories to purchase a supercomputer from the US subsidiary of Meiko Scientific, a little-known British-owned company.

The US Energy Department's Lawrence Livermore Laboratory, in Berkeley, near San Francisco, has agreed to purchase a $15m supercomputer from Meiko, choosing the British-owned company's product over those of several US competitors.

Supercomputers are used widely in weapons research, geological exploration and meteorology. Meiko is believed to be the only non US-owned company to sell a supercomputer to a US government laboratory for 30 years.

The decision comes only two weeks after President Bill Clinton unveiled a technology policy which includes plans to boost the competitiveness of US companies by encouraging greater collaboration between industry and the national laboratories.

Meiko was founded in 1985 by six computer engineers from Inmos, the innovative UK state-backed silicon chip manufacturer which invented the "transputer" computer-on-a-chip.

Its fastest machine, which can carry out 1,000bn calculations a second, has a list price of $50m, although none has yet been sold. The company has sales of about $20m a year and funds research and development out of income.

US supercomputer manufacturers have previously regarded Japanese companies as their chief competitors, and the Meiko deal has shocked US industry executives who are expected to protest against the sale.

US supercomputer companies have successfully argued that government laboratories should not purchase Japanese supercomputers, saying the Japanese government market is closed to imports. Such arguments cannot, however, be applied to a British-owned company since US companies dominate the European supercomputer market.

However, the sale may raise concerns about supercomputer export controls. While the US and Japan have agreed to limit sales of supercomputers to foreign governments because the computers can be used in the development of nuclear weapons, Europe has not so far agreed to such limits.

Already, Meiko's export record has been brought into question, especially a sale to Israel in 1991 which would have been forbidden to US companies.

Mr David Alden, president of Meiko Scientific, denied his company has a "bad export record". But by raising the spectre of uncontrolled supercomputer exports, US competitors are certain to get attention in Washington.

Intel and Microsoft reinforce their dominance, Page 13

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Danes try to break HDTV logjam

By Andrew Hill in Brussels

EC MINISTERS may be asked to rewrite a hard-won compromise on advanced television standards as part of a Danish attempt to unblock the EC's strategy on high-definition television.

Revision of existing legislation - agreed in December 1991 after 15 hours of ministerial debate - would further dilute the EC's original standards-based strategy for developing cinema-quality television in Europe.

However, outline proposals being prepared by Denmark, which holds the EC presidency, have not yet gone far enough to attract the support of the UK.

Britain is blocking the European Commission's much-diluted Ecu500m (£413m) HDTV funding plan on the grounds that the spending is not justified. Britain believes so-called "Mac" technology backed by the EC will soon be overtaken by digital HDTV under development in the US.

Denmark has yet to receive any hint that the UK will relax its position. The Danes want to schedule a special early meeting of telecommunications ministers and avoid the scheduled May meeting, which is being overshadowed by rows on HDTV.

The directive agreed in December 1991 dictates that only one intermediate standard - called D2-Mac - can be used for wide-screen television broadcasts in the EC. Wide-screen television sets must also be built to receive D2-Mac transmissions. So far, Commission proposals for funding have reflected that obligation.

But Denmark's compromise would allow funding for other wide-screen standards and probably require the original directive to be broadened, to the benefit of rival intermediate technologies such as PAL-plus, which is being developed by a consortium of European broadcasters and manufacturers.

Daimler-Benz set for China expansion

By Christopher Parkes in Frankfurt

DAIMLER-BENZ, the German automotive, aerospace and engineering group, is considering opening a bus assembly factory near Shanghai in China and setting up a local joint venture to make rolling stock for underground railway networks.

The opportunities opened up during a recent tour of the Far East, when executives examined a possible site for the bus works close to the Yangtse river.

"It was the most exciting trip I have undertaken in all my years at Daimler," one participant said.

The visit reflected growing interest among German companies in the region - China in particular - and widespread determination that Japanese industry should not be allowed to over-run the market unopposed.

It also demonstrated Daimler-Benz's new strategy of exploring every possibility of extending manufacturing outside Germany and developing new markets.

This policy is being driven partly by the need to overcome the exchange rate disadvantages inherent in exporting from Germany.

For example, the group board will decide this year whether to manufacture its planned Mercedes-Benz leisure vehicle in the US. According to Mr Edzard Reuter, chairman, there is a "fair chance" that a new plant will be given the go-ahead.

Meanwhile, the company will soon start assembling a small number of cars in Mexico, and has recently signed a joint venture to make cars in Korea.

In a separate development, Siemens, Germany's largest electrical group, has taken a 49 per cent stake in a telephone distribution and service joint venture with TN Inc of Bangkok. The new company, TN Communications Systems, aims to win a 25 per cent market share.

Siemens also recently founded a joint venture in Shanghai to make and distribute telephone switchboards.

South-East Asian telecommunications markets are growing by more than 10 per cent a year compared with the world average of 3 to 4 per cent.

German exports to China grew last year by a record 40 per cent to more than DM5.5bn ($3.31bn), while the country's leading exporters said their shipments to Malaysia, Indonesia and Singapore rose by more than 10 per cent.

According to the Hamburg-based East Asia Association, the improvement in these markets more than offset a 10 per cent fall in exports to Japan last year.

Interview with Daimler-Benz chairman, Back page, Section II

François Mitterrand: The president will not abandon traditional role in international affairs

Mitterrand to press for emergency G7 summit

By William Dawkins in Paris

PRESIDENT François Mitterrand of France will meet US President Bill Clinton for the first time tomorrow to get to know the new US leader and push for an emergency Group of Seven summit to discuss an international economic growth initiative.

The Washington meeting, to be held a fortnight before the French general election, in which Mr Mitterrand's Socialist party looks set for defeat by the right, seems as much designed to tell French voters that the president plans to keep the upper hand in foreign policy as to forge links with the new US administration.

On March 16 Mr Mitterrand plans to visit Mr Boris Yeltsin, the Russian president, just as the French election campaign enters its last few days before the first round of voting on March 21.

Mr Mitterrand will press Mr Clinton for an emergency G7 meeting before the July summit in Tokyo, a move supported by Germany, said Mr Jean Musitelli, the president's spokesman.

"What is clear is that the president will be sitting in the front chair" at such international gatherings, he added. France did not plan to abandon its tradition of a single chief in international affairs.

The French president will use the Washington meeting to seek clarification of the US administration's stance on the stalled multilateral trade talks under the General Agreement on Tariffs and Trade. Mr Clinton's recent complaint over subsidies to the European Airbus consortium and US anti-dumping duties on imported steel are also on his agenda.

At home, the opposition was showing increasing confidence yesterday in its ability to hold its own against Mr Mitterrand in a government of cohabitation between the Socialist president and a right-wing parliamentary majority. Mr Bernard Pons, the parliamentary whip for the conservative RPR party, yesterday warned Mr Mitterrand not to try to block the future government's actions.

At a rally of 30,000 RPR supporters at Le Bourget, north of Paris, Mr Pons accused Mr Mitterrand of handing out top jobs in the public administration to friends, to keep as much power as possible. If the president tried to obstruct the new government, the future prime minister would call repeated confidence motions in the parliament, Mr Pons said.

Number's up for Bonn and Weimar

By Judy Dempsey in Berlin

NOT only history and John le Carré have immortalised Weimar and Bonn. Both happen to share the same post code: 5300. But not for much longer, if an ambitious plan by the German post office is implemented as scheduled on July 1.

On that day the two separate post codes of the two Germanys will be superseded by a new system aimed at making the postal service more efficient and faster.

Mr Norbert Schäfer, a post office official, said it was only a matter of time before the two systems had to be harmonised. "The west German postal codes system was introduced in 1961 [the year the Berlin Wall was built]. The east German system, which was more rational because it had more post codes which thus covered much smaller areas, was introduced in 1965. But there are 800 towns and cities in east and west Germany which share the same postal code. There's lots of room for error."

Introduction of the new system, at a cost of DM400m ($240.9m) and after nearly two years' research and testing, involves scrapping the current 5,400 codes and replacing them with 26,000 new ones.

The first casualty will be the suffix placed after every city, town and village, which characterised only the western German system and which denoted a particular district. Instead, all cities, towns and villages will have a prefix only.

For instance, Berlin's trendy Savignyplatz, whose post code is currently W-1000 Berlin 12, will be changed to 10623. "The W [for West], and the O [Ost or East] will no longer exist," explains Mr Schäfer. "The first two numbers of the new system will denote the region. The last three numbers denote the post office allocated to your new post code."

Mr Klaus Lammich, an official from the transport and telecommunications department of the Federation of German Industry, says he has received complaints from members, mostly about the cost. "But overall, we accept it because it is necessary."

Quelle, the country's giant retail and mail-ordering service, says the short-term effects will be difficult, but longer term its business should profit from a faster postal service. Mr Eric Jesker, a spokesman for Quelle, says it will cost the company around DM30m to change their entire data system.

"Once July 1 comes, that's it. There no room for tolerance. There's no room for mistakes. If you use the old post code, your letter will not get delivered," he says.

If it works, 5300 Bonn and 5300 Weimar will be another relic of the past.

Italy agrees jobs package

By Haig Simonian in Milan

ITALY'S government is to spend over L7,000bn (£3.2bn) on additional measures for job creation, unemployment benefit and development grants to try to cushion the worsening recession.

The measures will put further strain on public-sector finances, which are already rising above target this year. However, they should go some way towards meeting union demands for extra help for the unemployed and industries in crisis.

About 40,000 women marched through the streets of Rome at the weekend to protest against the effects of recession, in a demonstration organised by the country's three trade union federations.

The package should pave the way to a new round of meetings between ministers, unions and employers' representatives to take up proposals on reforms to labour laws outlined in last summer's accord to abolish the *scala mobile* wage indexation system.

The economic package approved by ministers foresees the creation of a L1,650bn national employment fund to stimulate job creation over the next three years. About L3,500bn will go on re-industrialisation projects.

Swiss voters show signs of human weakness

By Ian Rodger in Zurich

THE Swiss have long prided themselves on having such a strong civic sense that they will even vote for tax increases.

Yesterday, true to form, 55.2 per cent of those voting in a referendum approved an increase in fuel taxes that will raise petrol prices by 20 centimes (9p) per litre.

But some Swiss see this, and the positive outcome of another vote yesterday, on legalising gambling casinos, as evidence of a less admirable and perhaps ominous trend among their countrymen.

According to this view, these votes show that the Swiss are becoming more like everyone else. They would rather let the government tap new and relatively painless sources of income than have it cut services to reduce its bloated deficit.

The Swiss federal government's deficit has soared in the past two years, reaching SFr2.86bn (£1.3bn) last year, about one per cent of gross domestic product. Rising welfare payments and revenue shortfalls caused by the recession mean that this year's budget deficit of SFr3.3bn will be substantially exceeded, Mr Otto Stich, the finance minister, has predicted.

Mr Stich tried hard last autumn to win his colleagues' support for swingeing spending cuts. When he failed, he proposed the two revenue raising measures that were approved yesterday.

Some see an ominous trend developing

Mr Stich said that the petrol tax would add SFr1.3bn a year to federal coffers, while still leaving Swiss petrol prices lower than those in neighbouring countries.

He claimed casino legalisation would merely bring Switzerland in line with other European countries, but opponents argued that their country did not need another institution for money launderers to test.

Mr Stich believes the government, which proposes to take 80 per cent of casinos' gross revenues, will raise about SFr150m a year from this source, but it is unlikely to come quickly. Police forces have warned that neither the potential casino operators nor the law enforcement agencies are competent yet to deal with the kinds of criminals attracted to casinos.

A third national referendum, calling for the total abolition of vivisection, was overwhelmingly defeated, with 72 per cent of those voting opposed. The issue is a frequent one in the Swiss plebiscite lists.

Swiss voters return to the polls in June on two highly controversial topics related to the Swiss army. One petition calls on the people to forbid the army from buying new fighter aircraft for 10 years. The other would reduce the number of battlefield training grounds at the army's disposal.

CONTRACTS & TENDERS

Izetbegovic sees progress on mediators' map

Bosnian peace talks hanging in balance

By Robert Mauthner, Diplomatic Editor

INTERNATIONAL peace talks to end the war in Bosnia-Hercegovina continue to hang in the balance after being suspended until the end of this week in New York.

Mr Alija Izetbegovic, Bosnia's Moslem president, said before leaving for Sarajevo progress had been made in the negotiations on a map dividing the country into 10 semi-autonomous provinces. But diplomatic observers remain sceptical about the Moslems' or Serbs' political will to conclude an agreement at this stage.

"There's no question that the fighting that has been going on [in eastern Bosnia] has made *the talks much more difficult,*" Mr Cyrus Vance, one of the two international mediators, said.

Though Mr Izetbegovic said he would be returning to the US later in the week "with the intention of moving the discussions forward to a successful conclusion", there are indications that his colleagues in the Bosnian government are much less ready to compromise.

Bosnia's ambassador to the United Nations, Mr Muhamed Sacirbey, who is reported to have visited Washington last Friday to put the case against acceptance of the plan tabled by mediators Mr Vance and Lord Owen, again struck a warning note at the weekend.

"The president [Mr Izetbegovic] needs to respond to the proper authorities, who are not very pleased that lines may be drawn on the basis of ethnicity and, as a result, the reception is lukewarm," he said. Nor does the declaration made by Mr Radovan Karadzic, the Bosnian Serb leader, after the suspension of the talks on Saturday hold out much hope that *he will prove more flexible in* the future than in the past.

While promising that he and his political colleagues would try to find "the possibilities for further compromises", he claimed that the Bosnian Serbs had made the biggest compromises so far. Moreover, he warned that, if US President Bill Clinton's threat to tighten sanctions against the Serbs if they did not stop fighting was carried out, "we would leave the conference".

It is virtually certain that Mr Izetbegovic will return to New York with more demands for territorial adjustments to the provincial map, which are likely to prove unacceptable to the Bosnian Serbs.

Following the acceptance last week by the Bosnian Moslems of the ceasefire and military disengagement provisions of the proposed peace settlement, the mediators pulled out all the stops to persuade Mr Izetbegovic to endorse their map. If he had, it would have left Mr Karadzic as the only leader of the warring parties not to have endorsed it, and *thus much more vulnerable to* international pressure.

The mediators' tactic of isolating Mr Karadzic, as they did earlier in the negotiations when he was ultimately "persuaded" by President Slobodan Milosevic of Serbia to accept the new constitutional framework for Bosnia, has thus been thwarted for the moment.

Criticism stings Brussels into support for air-drops

By Lionel Barber and David Gardner in Brussels

THE *European Commission* is trying to push member states into active support for US air-drops of humanitarian aid to besieged Moslem enclaves in eastern Bosnia-Hercegovina. Mr Hans van den Broek, EC commissioner responsible for external political relations, told the Financial Times that support could extend to making available EC supplies of food *and medicine for delivery by* the US.

The proposal is expected to be discussed today at a meeting of EC foreign ministers in Brussels, along with the question of whether to tighten sanctions on Serbia.

When the US canvassed Nato allies at the end of last month for support for the air-drop, EC states expressed lukewarm support for Washington's initiative and withheld practical *contributions, preferring* instead to continue with their efforts to deliver aid through land convoys under UN auspices.

The EC has been stung by criticism that it has not done enough to relieve suffering in the former Yugoslavia, and that its role as the largest supplier of humanitarian aid has been overshadowed by the *high-profile US air-drops.*

Mr Manuel Marin, EC commissioner in charge of humanitarian aid, unveiled last week a new Ecu60m (£49.6m) package for the former Yugoslavia – one quarter of the total aid the Community expects it will have to provide this year. The EC has already delivered Ecu290m in aid since the onset of the crisis.

Mr Van den Broek's call for a closer association with the US air-drops is based on the conviction that the EC must co-ordinate its efforts with the US – and Russia – if more permanent solutions to the conflict are to be found.

Mr Van den Broek said that, in the event of a peace plan being agreed, the EC, the US and Russia should be involved in making such a political settlement stick "with all accompanying military elements".

Senior EC diplomats said last week that if the peace plan drawn up by Lord Owen and Mr Cyrus Vance under EC/UN auspices collapsed, there would be a progressive tightening of sanctions against Serbia.

But *if a deal is struck,* the focus will move rapidly to the issue of enforcement.

The diplomats make clear there is a growing likelihood that Nato will take the leading role in policing a deal. One ambassador said: "The idea of involvement by the alliance in policing [any agreement] is rising steeply up."

The same diplomat also noted that *France* was playing an active role in Nato's defence planning committee for former Yugoslavia, "a very striking change which is extremely encouraging".

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German influence in Nato in 'rapid decline'

GERMANY'S influence in Nato is rapidly declining, its credibility is being questioned, and it no longer deserves special treatment now that the cold war is over, General Klaus Naumann, the country's chief of staff, said yesterday, writes **Judy Dempsey in Berlin.**

His comments follow debate among the country's political parties about how far the Bundeswehr, or armed forces, should become involved in activities outside Nato territory, as well as playing a role in UN peace-keeping and conciliation operations.

They coincide with remarks by Mr Hans Dietrich Genscher, the former foreign minister, who yesterday told the Welt am Sonntag newspaper that the country's soldiers had the right to know about cuts in personnel as well as future activities.

Bundeswehr operations are restricted by the 1949 constitution, which limits German troops to operations on Nato territory.

Yeltsin urges plebiscite on crisis

RUSSIA'S president, Mr Boris Yeltsin, declared yesterday that the country was in the grip of a constitutional crisis and that a referendum on who rules the country should go ahead, Reuter reports from Moscow.

In an interview broadcast on Moscow radio, Yeltsin said he wanted to reach an accord with conservative rivals, expected to challenge him at this week's session of the Congress of People's Deputies, the top legislature.

"I very much hope to achieve concord at the Congress between the legislative and executive authorities and the president," he said.

"If the Congress cancels the decision to hold a referendum, and *the Congress could* do it, this will show a lack of trust in the people," he said.

The referendum has been called for April 11 to determine who rules Russia – president or parliament.

Yeltsin's seven-minute interview, showed that he was counting on the plebiscite to strengthen his mandate for radical reform.

Yeltsin and his main rival, Mr Ruslan Khasbulatov, parliament chairman, have been exchanging verbal blows for weeks as a struggle between the executive and legislative authorities has intensified.

This week's emergency Congress, due to open on Wednesday, could bring the conflict to a head. Conservative deputies are expected to renew efforts to trim Mr Yeltsin's powers. Many oppose the referendum, which they warn could destabilise the country further and even lead to its disintegration.

Yeltsin called for unity to *resolve a crisis whose roots he* said lay in the contradictory constitution inherited from the Soviet era.

"I have become convinced that it is not those on the right, nor those on the left, nor the centrists, nor the communists, nor the democrats who can save Russia... We need consensus among parties and organisations," he said.

Yeltsin even held out an olive branch to communists, whose party he once outlawed. "There are also healthy communists who support Russia and its revival and accordingly *do not want to wage a confrontational struggle,*" he said.

Conservative deputies are worried that the president might call upon the armed forces to back him if he does not get his way in the Congress. But Defence Minister Pavel Grachev vowed at the weekend that the army would stay neutral in the conflict.

"The army... will not participate in political games. That would be dangerous," Mr Grachev told Rossiskiye Vesti newspaper.

A Communist disguised as a medieval knight joins yesterday's Red Square protest by supporters seeking to oust Boris Yeltsin

US preparing aid measures to bolster Russia

By George Graham in Washington

THE US is working on aid measures to get the process of economic reform in Russia back on track and at the same time bolster the political prospects of Russian President Boris Yeltsin.

President Bill Clinton has promised to offer specific "innovative solutions" at his meeting with Mr Yeltsin in Vancouver next month, and officials are working on plans for loan guarantees to help build housing for redundant Russian troops, as well as an enterprise fund to aid entrepreneurs.

At the same time, US farmers are pressing for an urgent settlement to Russia's debt problems, which have halted sales of their grain under a government-guaranteed credit programme.

Russia is more than $400m in arrears in payments on these US grain credits, although it made a token $15m payment last week. A full solution, however, depends on reaching a broader agreement to reschedule all of Russia's outstanding *debts to the Paris Club of creditor* countries.

This rescheduling has been held up, in part because of a dispute between Russia and Ukraine over how to divide responsibility for debts incurred by the former Soviet Union. Negotiations have been stalled since an offer from the Group of Seven leading industrial nations in December to reschedule over $15bn of past official debt, cutting Russia's debt service obligations this year from $12bn to $2.75bn.

While the Russian debt question was discussed at last week's meeting of the G7 finance ministers, treasury officials give every appearance of being baffled on how to proceed.

The Clinton administration is considering setting up a direct food aid programme to replace the grain credits, and members of Congress from farm states have come up with a number of other imaginative solutions, such as the proposal from Mr Dan Glickman of Kansas to swap Russia's nuclear weapons for forgiveness of its entire debt to the US.

Mr Clinton's outline budget proposals would increase aid to Russia and the other former Soviet republics to $700m from $417m this year, while at the same time cutting or freezing most other US foreign aid programmes.

He also appealed strongly for more aid for Russia in recent speech.

The new president has also been consulting one of his predecessors, Mr Richard Nixon, who last week called on the US to exert some leadership over the other G7 nations in order *to win a debt rescheduling* agreement, persuade Japan to stop making its aid conditional on a return of the contested Kurile islands, and prop up Mr Yeltsin.

Although the State Department last week disavowed the prediction of Mr Richard Armitage, who had been in charge of US aid to the former Soviet republics, that Mr Yeltsin *would not last long in power,* many US officials privately consider Mr Yeltsin's prospects of survival extremely fragile.

Banks' Bombay exposure raised

By Stefan Wagstyl in New Delhi

THE total problem exposure of banks involved in the Bombay securities market scandal is Rs40.2bn (£873.9m), or Rs4.8bn larger than originally estimated, according to a report published at the weekend by the Reserve Bank of India, the central bank.

The reserve bank, in its fourth report on the affair, raised its estimate after months of investigations of the books of banks and stockbrokers involved in the scandal.

The affair, which erupted last April, has prompted the resignation of a cabinet minister, the arrest of about 20 people and heavy losses for some banks, including Standard Chartered Bank of the UK.

The banks lost money mainly through extending credit to brokers in the fast-growing and lightly-supervised inter-bank securities market. The four foreign banks most active in the market were Citibank and Bank of America of the US, ANZ Grindlays and Standard Chartered.

The report published at the weekend confirmed previous findings that banks knowingly evaded reserve bank guidelines by giving brokers wide freedom to invest borrowed funds in the stock market – both for banks' own accounts and for clients.

The report concentrates on the roles of Standard Chartered and ANZ Grindlays, having singled out the two American-owned banks for detailed treatment in an earlier study. The investigators say Standard Chartered surrendered discretionary control of funds to Mr Hiten Dalal, a broker, in return for guaranteed returns on their money. The report says the arrangements were made in full knowledge of senior management at Standard Chartered.

"Standard Chartered has been carrying on its securities transactions in total contravention of reserve bank guidelines and in violation of the norms of prudent banking," says the reserve bank, in one of the strongest criticisms contained in the report.

Standard Chartered has previously admitted breaking guidelines and violating prudential norms. It has put the blame principally on relatively junior executives and on inadequate supervision by their immediate superiors.

Grindlays for its part was closely involved with Mr Harshad Mehta, another important Bombay broker nick-named Big Bull for his perpetual optimism.

The report says the extent of Grindlay's connection with Mr Mehta was camouflaged by the fact that payments from other banks were deposited directly into Mr Mehta's accounts at Grindlays without specific instructions to do so. This created the impression that the transactions involved banks only, when in fact they involved Mr Mehta.

All four foreign banks named in reserve bank reports have moved senior managers out of India since the scandal erupted.

The leader of Australia's conservative Liberal/National party coalition, John Hewson, dumps rubbish he collected yesterday from a Sydney beach as part of Clean Up Australia Day. Mr Hewson received a blow to his hopes in next Saturday's federal elections when he lost a televised debate with Labor's Paul Keating, Kevin Brown reports from Sydney. Mr Keating won 54 per cent of votes cast by a studio audience compared to Mr Hewson's 33 per cent.

S African parties in pact on talks

By Patti Waldmeir in Johannesburg

WHITE and black politicians in South Africa have agreed to resume constitutional negotiations within a month.

Agreement was reached, however, only after a preparatory conference in Johannesburg at the weekend agreed to postpone consideration of all potentially contentious issues: a sub-committee must resolve them before the talks can begin. Problems remain over such vital issues as how the talks should be structured, who should attend, who should chair them and what they should be called.

Several delegates stressed that the mainly Zulu Inkatha Freedom party, which often proved obstructive in a previous round of multi-party talks, demonstrated what one ANC delegate called an "unusual degree of conciliation".

They said an atmosphere of goodwill and co-operation characterised the closed-door sessions of the two-day talks, which brought together traditional enemies such as the white supremacist Conservative party and the black radical Pan Africanist Congress for the first time.

Discussion of constitutional issues, such as whether South Africa should be a federal or unitary state, was also deferred. Delegates to the conference, attended by some 26 political parties from right and left, said the aim was to avoid confrontation in the weekend plenary, and merely to set a deadline (April 5) before which talks must resume.

The talks provided evidence of the gap between the 26 parties on constitutional issues, such as the form of the future state, and on the the process of constitution-making.

Failure on IMF deal puts Kenya's reform at risk

By Julian Ozanne in Nairobi

BOLD STEPS by the Kenyan government to liberalise its economy were in jeopardy at the weekend after International Monetary Fund officials left the country without agreeing a provisional deal that would pave the way to the restoration of foreign aid.

The IMF departure came at the end of three weeks marked by the most radical reform of the economy ever carried out by the embattled government of President Daniel arap Moi.

A positive verdict from the IMF was seen as crucial for Kenya to regain desperately needed quick-disbursing foreign aid worth about $40m (£28m) a month which was suspended in September 1991 because of the government's long record of unfulfilled promises, mismanagement and corruption.

The government has said that without the urgent resumption of aid the reforms, including foreign exchange liberalisation, reduction of price controls and resumption of measures to free the farm sector, will be unsustainable.

However both donors and the IMF, who welcomed the measures, have warned further steps would have to be taken urgently to curb monetary liquidity and avoid the mounting risk of massive currency depreciation, hyper-inflation and possible social unrest among the urban poor.

The government has said that donors are asking them to plunge into uncertainty without promising an injection of foreign exchange to sustain the reforms.

On the eve of the IMF visit three weeks ago the government removed exchange controls, leaving the exchange rate to be set for commercial transactions by the banking sector. The central bank said it would still operate a foreign exchange window at a lower official rate for government imports, official debt service and publicly guaranteed debts.

The government also announced the complete liberalisation of the wheat trade from the producer to the consumer and a relaxation of price controls on other commodities.

"More has been achieved in the past three weeks than in the previous three years," said one western donor.

Since the liberalisation the shilling has depreciated more than 50 per cent against sterling. Money supply growth exceeded 35 per cent last year, mostly in the last six months, as a result of corrupt commodity and foreign exchange trading activities and the injection of money for election campaign finance. Inflation in the past four months is estimated at 40 to 60 per cent.

Afghans sign peace accord

By Farhan Bokhari in Islamabad

AFGHANISTAN'S rival mujahideen leaders shook hands and embraced in a rare show of goodwill yesterday, as leaders of seven factions and Mr Burhanuddin Rabbani, the president, signed an agreement to end factional fighting.

Mr Nawaz Sharif, Pakistan's prime minister, played host and acted as the principal negotiator during the six-day talks.

The agreement brought Afghanistan's two leading foes together. President Rabbani and his chief rival, Mr Gulbaddin Hekmatyar, shook hands and sat down for face-to-face talks, their first such meeting in more than six months.

Under the agreement, Mr Rabbani will remain president for 18 months while Mr Hekmatyar will assume office as prime minister. However, the leaders were unable to decide the most divisive issue of allocating cabinet posts, and agreed only to form a new cabinet in 15 days.

The future of Afghanistan's powerful defence minister, Mr Ahmed Shah Masood, and that of the powerful Uzbek general, Rashid Dostum, also remains uncertain.

Mr Hekmatyar has been demanding that Mr Masood should be removed from the Defence Ministry, because both he and President Rabbani belong to the same party.

In the agreement, there were no clear provisions for including Gen Dostum in the government or for any high offices to be given to his party, the Junbish-i-milee, to gain his support.

At least 5,000 people have been reported injured and hundreds killed in rocket attacks on the capital, Kabul, launched by Mr Hekmatyar's men, since the beginning of the year.

LEGAL NOTICE

Notice of creditors' meeting under Section 48(2) Insolvency Act 1986
Company No 538780 Registered in England and Wales

United Air Coil Limited

Principal place of business:
Northdown Road, St Peters,
Broadstairs, Kent CT10 3JP

Notice is hereby given pursuant to Section 48(2) Insolvency Act 1986, that a meeting of the unsecured creditors of the above-named company will be held at the offices of Coopers & Lybrand, Orchard House, PO Box No 262, 10 Albion Place, Maidstone, Kent ME14 5DZ on 16 March 1993 at 10.30 am for the purpose of having laid before it a copy of the report prepared by the Administrative Receivers under Section 48 of the said Act. The meeting may, if it thinks fit, establish a committee to exercise the functions conferred on creditors' committees by or under the Act.

Creditors are only entitled to vote if:

(a) They have delivered to me at the address shown above, no later than noon on 15 March 1993, written details of the debts they claim to be due to them form the company and the claim has been duly admitted under the provisions of Rule 3.11 of the Insolvency Rules 1986; and

(b) There has been lodged with me any proxy which the creditor intends to be used on his or her behalf.

Please note that the original proxy signed by or on behalf of the creditors must be lodged at the address mentioned; photocopies (including faxed copies) are not acceptable.

Signed: N J Vooght
Joint Administrative Receiver
Dated: 1 March 1993

Notice of appointment of Administrative Receivers
Pyall & Jones Limited

Registered number: 856759. Nature of business: General Builders. Trade classification: 23. Date of appointment of Administrative Receivers: 24 February 1993. Name of person appointing the Administrative Receivers: Lloyds Bank Plc. Joint Administrative Receivers: N J Vooght (office holder number 6339) T R Harris (office holder number 2129) Coopers & Lybrand, PO Box 262, Orchard House, 10 Albion Place, Maidstone, Kent ME14 5DZ

CONTRACTS & TENDERS

TENDER FOR TRANSPORTATION OF CRUDE OIL FROM MIDDLE EAST GULF PORTS TO KARACHI

National Tanker Co., (Pvt.) Ltd., a Government of Pakistan Enterprise, invites offers for transportation of Crude Oil from Middle East Gulf Ports to Karachi, Pakistan under a Contract of Affreightment. The period of the Contract of Affreightment will be one year from 1st June 1993 to 31st May 1994. Total quantity to be transported during the period will be 1.8 million metric tons +/- 15% in cargo lots of 50,000 to 75,000 tons at approximately evenly spread intervals.

2. Companies must have experience of satisfactorily transporting crude oil to Karachi (not through spot chartering) from 1978 (i.e. sice Karachi Port Trust Oil Pier OP-1V came into operation) onwards and must also have in their ownership or management at least two (2) tankers of LR-1/LR-2 sizes. The tankers must meet the following requirements.
   a) Be staunch and seaworthy and fully classed as Lloyds A1 or equivalent conforming to SOLAS and MARPOL.
   b) Not older than 19 years but overage insurance will be on owners account.
   c) Should meet flag restrictions and be acceptable for loading at all major petroleum export terminals/ports of the Middle East Gulf, and for discharging at Karachi.
   d) Be of max length 850 ft and width 135 ft with capacity to load at least 75,000 long tons at max. 39 ft SWAD and maximum gross displacement tonnage of 95,000 tons on KPT Op -IV.

3. Companies will be required to submit the following information along with their offers:
   1 Full corporate nature and structure of the company.
   2 List and particulars of tankers owned/managed which will be employed.
   3 Details of experience of transportation of crude oil to Karachi from 1978 onwards.
   4. Details of major litigations if any and their results/present position.

4 Companies interested may obtain the tender documents (Proforma of Contract of Affreightment and Terms and Conditions) on payment of U.S $ 2000 (U.S. Dollars two thousands) in the form of pay order or bank drawn in favour of National Tanker Co., (Pvt.) Ltd., Karachi. The tender documents will be available from any of the following offices, on weekdays upto 15th March 1993
   1 Cheif Executive, National Tanker Co., (Pvt.) Ltd., 3rd Floor, PNSC Building, M. T. Kan Road, Karachi
   2 Regional Representative, Pakistan National Shipping Corporation, 450 High Road, Ilford IG1 1UF
   3 Regional Representative, Pakistan National Shipping Corporation, 24th Floor, 21-West Street, New York, NY 10006
   4 Regional Representative, Pakistan National Shipping Corporation, Room 2906, 29-1 China Resources Building, 26 Harbour Road, Wan Chai, Hong Kong
   5. Regional Representative, Pakistan National Shipping Corporation, C/o. M/s Raza Hassan, P.O. Box 7, Dubai

5 The last date for submission of the tender bids is 22nd March, 1993 as per time/procedure stated in the tender documents

Chief Executive, National Tanker Co., (Pvt.) Ltd., 3rd Floor, PNSC Building, M.T. Khan Road, Karachi-Pakistan.

Kanemaru quizzed on 'tax evasion'

By Charles Leadbeater in Tokyo

MR Shin Kanemaru, the disgraced former kingmaker of Japan's ruling Liberal Democratic party, spent yesterday being questioned by prosecutors in Tokyo's criminal detention centre, after being arrested on Saturday for alleged tax evasion running to several hundred million yen.

Mr Kanemaru's arrest came hours after the Diet's lower house passed the 1993 budget, paving the way for the government to draw up further measures to stimulate the flagging economy. The opposition parties had been delaying the budget with calls for an income tax cut and further investigation of the Tokyo Sagawa Kyubin scandal, which led to Mr Kanemaru's resignation last year.

Some political analysts believe the prosecutors' decision to arrest Mr Kanemaru may reflect the government's decision that further action against him was necessary to still the opposition's campaign on the Sagawa scandal. The Tokyo prosecutor's office, widely criticised for failing to interview Mr Kanemaru in person last year over the scandal, also wants to restore its battered public reputation.

Mr Kanemaru, who was head of the then-dominant faction within the LDP, resigned last October after being fined Y200,000 ($1,724), following his admission that he received an illegal political donation of Y500m from the scandal-tainted Tokyo Sagawa Kyubin trucking company.

Mr Kanemaru, 78, was arrested over allegations that he concealed income of up to Y800m between 1987 and 1989. Mr Masahisa Haibara, his private secretary, is alleged to have concealed income of about Y400m between 1987 and 1991.

Leading LDP politicians, including Mr Kiichi Miyazawa, the prime minister, said they were dumbfounded by the arrest, which probably owes much to the influence of the recently-appointed justice minister, Mr Masaharu Gotoda, a proponent of political reform.

The political impact of the arrest will not be clear for a few days. It may work to the government's benefit by laying to rest the Sagawa scandal, or could once again highlight that financial irregularities are often the foundations for power in Japanese politics.

The passage through the parliament's lower house of the Y72,350bn budget for 1993 means it will automatically become law within 30 days. The focus will immediately shift to the government's plans for a further special spending package to stimulate the economy. In August last year, the government announced a Y10,700bn package of public works spending and measures to support the stock market.

Leading business organisations, as well as the opposition parties, are pressing for an income tax cut of Y4,000bn-Y5,000bn. But the LDP and the powerful Finance Ministry are as yet opposed, because although a tax cut may generate only a limited rise in consumption, it would require higher government borrowing through issuance of deficit financing bonds.

Ministries and lobby groups are likely to put forward a plethora of schemes in the next few weeks.

The Ministry of International Trade and Industry is drawing up plans for an investment programme in advanced telecommunications networks and computer equipment for schools and universities, to help the ailing electronics industry. The Finance Ministry opposes this plan, which officials regard as a direct subsidy to the industry.

Finance Ministry officials want the package to focus on public works spending, housing tax credits and investment incentives for small and medium businesses.

Shin Kanemaru: arrest dumbfounded prime minister Miyazawa

Ministries' battle will decide trade line

By Charles Leadbeater

BEHIND the facade of Kasumigaseki, Tokyo's civil service area and the government heart, a fight is under way to reshape the most sensitive aspect of Japan's most important international relationship – its trade policy towards the US.

Japan's approach to the Clinton administration when Premier Kiichi Miyazawa visits Washington in mid-April will be determined by the outcome of the struggle between Japan's bureaucratic big battalions. The fight to refashion policy towards the US has pitted the Ministry of International Trade and Industry against the Foreign Ministry, and, equally significantly, the Finance Ministry and the Bank of Japan.

They all welcome Mr Clinton's plan to cut the budget deficit, but are at odds over some vital aspects of trade policy. Miti wants policy towards the US guided by a new overall approach to trade issues, a shift from a policy based on special considerations for foreign demands to a rule-oriented approach.

Mr Noboru Hatakeyama, Miti vice-minister for international affairs, believes the US administration could improve trade relations in the long run. An attack on the US federal budget deficit should help cut the US trade deficit, while the administration's industrial policy should help raise US industry's competitiveness.

He stresses it is too early to judge the new administration's trade policy, which so far seems cautious. The anti-dumping decision against steel imports was inherited from the Bush administration and the new administration has refrained from raising import tariffs on mini-vans. But Tokyo is still braced for US demands for Japan to open its market.

Miti favours stimulating the Japanese economy to cut the surplus by creating more demand for imports. It says it will resist moves to open up sectors of Japanese industry such as cars or computers, to a specified level of imports. But this approach is hitting opposition from two different areas.

First, the Foreign Ministry argues that a "rule-governed" policy which attempts to settle trade disputes through formal procedures will sound evasive in Washington. A ministry official said: "You have to address some issues directly. Everyone is fed up with the Structural Impediments Initiative talks. We have to look for a new mechanism. We have not yet reached consensus on what that should be." One option considered by the Foreign Ministry are two parallel sets of bilateral talks, one for macro-economic issues, the other for micro-issues such as measures to open Japanese markets to imports. Trade friction with the US has a strategic significance for the Foreign Ministry. The end of the cold war has removed the main rationale for the US-Japan security alliance. As a result, the alliance is more vulnerable to being disrupted by trade frictions.

Mr Katsunari Suzuki, in charge of policy planning at the Foreign Ministry, said: "If the imbalance continues, then US public support for the defence of Japan will erode. It is most important we work with the Clinton administration to strengthen the US economy because then US public opinion will be more magnanimous about supporting Japan in times of need."

Second, Miti faces equally powerful opposition from the Finance Ministry and the Bank of Japan. Their worry is economic. They fear an attempt to reduce the trade surplus by stimulating the domestic economy's demand for imports will provoke a renewed bout of inflation in two or three years. Financial experts think the bubble economy of the end-1980s was set off by economic policy in 1987, when the government introduced a Y6,000bn ($35.5bn) emergency spending package, partly in response to foreign pressure, when the economy was out of recession.

Mr Kosuke Yamamoto, who was in charge of industrial policy at Miti at that time, explains that Miti's ability to mobilise business and political pressure forced the Finance Ministry to double the size of the package from the initial Y3,000bn. The financial authorities are determined not to make the same mistake again.

Mr Yasushi Mieno, Bank of Japan governor, commented: "An imminent need exists to put the economy on a sustainable growth path to get rid of the cyclical component of the surplus. Higher growth will to some extent cut the surplus, but a significant amount will remain. If that is dealt with by macroeconomic policy, that could be very inflationary."

The implication is that the structural component of the surplus needs to be dealt with by microeconomic measures targeted at specific industries. When Mr Miyazawa lands in Washington, he should be singing a tune his officials have agreed. But that will be the outcome of a painful battle yet to peak in Tokyo.

Second Korean minister set to go

By John Burton in Seoul

THE expected departure of a second minister from the 10-day-old cabinet of South Korean President Kim Young-sam highlights the issue of corruption that his new administration has promised to fight.

Ms Park Yang-sil, minister of health and social affairs and one of three women in the cabinet, is expected to be dismissed today for allegedly engaging in illegal property speculation. At the weekend, Mr Park Hee-tae, justice minister, resigned for allegedly taking advantage of a foreign-citizen loophole to get his US-born daughter admitted to Seoul's highly-competitive Ehwa Woman's University.

The newly-appointed mayor of Seoul, a presidential appointee, was sacked last week for allegedly illegally developing land in a "green zone" surrounding the city. Mr Kim has made clear he is determined to root out the corruption that is pervasive in Korean society. But the sackings are embarrassing, since the cabinet was billed as strongly reformist, consisting of political outsiders who would challenge the *status quo*.

The charges against the cabinet ministers are emotive ones in South Korea. There is public resentment against those who made fortunes from the property boom of the late 1980s. Ms Park is alleged to have avoided government curbs on property acquisitions by making the purchases using the name of her children. She denies wrong-doing.

NY bomb site probe must wait

NEW YORK police and FBI say it could be another week before thorough investigation of the bomb crater under the World Trade Centre complex is possible, because of structural repairs required, Nikki Tait writes from New York.

Yesterday, however, there were indications that the site where a sixth victim of the blast might have been killed, had been found.

Anti-dumping study sidelined for 90 days

Nancy Dunne on the latest move over a political embarrassment

THE Democratic chairman of the International Trade Commission has sidelined for at least 90 days a controversial study of the US anti-dumping and countervailing duty regime and its impact on the American economy.

Mr Don Newquist, head of the agency which determines whether US companies have been injured by alleged dumping and subsidies, has written to Mr Mickey Kantor, US trade representative, asking him to confirm that the new administration of President Bill Clinton wants the study to go ahead. He claims that budget pressures, and questions from a congressman, have prompted his call for a review.

Mr Jim Kolbe, a Republican congressman, has written to Mr Kantor to protest against Mr Newquist's "unilateral decision" to delay the study. He has complained that Mr Newquist has misconstrued comments he had made to justify delaying the investigation. He claims that Mr Newquist's letter does not properly reflect the fact that he was highly supportive of it.

Mrs Carla Hills, the former trade representative under President George Bush, waited until five days before she left office to ask the ITC to mount the two-year study of the effects of "unfair trade" cases on the consumers, producers and workers.

Mrs Hills' timing remains a mystery. Just eight months before leaving office, she specifically omitted the issues of dumping and other "unfair trade" from a study on the economic effects of American import restraints.

She is likely to have been well aware that a study into the effects of dumping would be potentially embarrassing for President Clinton, pitching powerful domestic industries such as cars, steel and textiles (which are traditionally strong Democratic supporters) against US exporters and consumers, all of whom have to pay higher prices because of such duties.

Many foreign companies and trade lawyers in Washington see the laws as inherently biased against foreign defendants.

Mr Newquist has said he will take up the investigation if he does not hear from Mr Kantor in 90 days.

Otherwise, he will follow the trade representative's recommendation.

He said the commission was facing personnel and budget reductions in conjunction with the administration's attack on the budget deficit. Mr Kantor, as one of the few officials who can order ITC investigations, was asked to comment on the requested study "in light of our resources... and the other priorities you may have".

Among those "other priorities" are studies on trade in mackerel and durum wheat, and recent investigations of magnetic switches, the peas and lentil industries, and the trade in meat and live cattle with Canada.

The political implications of the study will not be lost on Mr Kantor, who was the president's campaign chairman and frequently expressed sympathy with "the people standing on the unemployment line" who have no interest in "abstract lectures about the value of free trade and exports".

Mr Kantor's recent comments suggest he regards the US dumping and countervailing duty regime as providing "a fair hearing process". He said recently: "Forty nations of the world have dumping laws; I would say the US process, both in terms of fair hearing and transparency, is probably as good as or better than any process in the world."

City 'did not fall'

ANGOLAN government sources yesterday denied a claim by the rebel movement Unita to have captured the key central city of Huambo, Reuter reports from Luanda.

"The fighting is continuing," said one source who denied Unita's claim to have captured the provincial governor's palace, the last main redoubt of government troops in Huambo, on Saturday.

Other officials said Unita had made several previous claims to complete victory in Huambo, the main focus of renewed fighting between government and Unita forces over the past two months.

The official news agency Angop carried an armed forces statement on Saturday night which said intense fighting was continuing in the city of half a million people.

But this was issued three hours before Vorgan, the rebel radio station, said Unita forces controlled Huambo.

US navy proposes the closure of a third of its port bases

By George Graham in Washington

THE US navy is proposing a radical realignment of its port bases, offering to close about a third of its installations and concentrate on two main ports at Norfolk, in Virginia, and San Diego, in California.

The proposal is part of a list of proposed military base closures presented to Mr Les Aspin, defence secretary, by each of the US armed services, on the basis of which Mr Aspin will submit his own list to a presidential base closure commission.

The independent commission was set up as a way of circumventing the deadlock that ensued every time the Defence Department tried to close a military base, as every member of Congress fought to avoid cuts in his or her district. Congress is restricted to voting yes or no on the entire list instead of each individual closure.

The process remains highly politicised, nonetheless, and members of Congress are already rallying in support of their home bases.

The cuts are expected to hit particularly hard in northern California, where the faltering economy would be further hurt by the proposed closure of a number of installations in the San Francisco Bay area.

In a move that is unlikely to be seen as accidental, all five bases in the Oakland district of Congressman Ron Dellums, the new chairman of the House of Representatives Armed Services committee and an advocate of deeper cuts in defence spending, are understood to be proposed for closure.

Another controversial proposal is the Homestead air force base in Florida, targeted for closure until Hurricane Andrew devastated the area last year. Former President George Bush promised at the time to keep the base open.

INTERNATIONAL ECONOMIC INDICATORS: MONEY AND FINANCE

This table shows growth rates for the most widely followed measures of narrow and broad money, a representative short- and long-term interest rate series and an average equity market yield. All figures are percentages.

UNITED STATES

	Narrow Money (M1)	Broad Money (M2)	Short Interest Rate	Long Interest Rate	Equity Market Yield
1985	9.0	8.9	8.00	10.59	n.a.
1986	13.5	8.3	6.49	7.67	3.43
1987	11.6	6.5	6.82	8.39	3.12
1988	4.3	5.2	7.65	8.84	3.61
1989	1.0	3.9	8.99	8.49	3.43
1990	3.7	5.3	8.06	8.54	3.60
1991	5.9	3.3	5.87	7.85	3.21
1992	12.4	2.1	3.75	7.00	2.95
1st qtr.1992	10.9	2.8	4.17	7.29	2.90
2nd qtr.1992	11.7	1.8	3.95	7.37	2.97
3rd qtr.1992	12.6	1.7	3.35	6.61	2.96
4th qtr.1992	14.3	2.0	3.55	6.73	2.94
March 1992	11.4	2.5	4.29	7.52	2.94
April	11.9	2.1	4.04	7.47	2.97
May	12.1	1.9	3.88	7.39	2.95
June	11.1	1.4	3.92	7.26	3.00
July	11.8	1.5	3.44	6.84	2.96
August	12.4	1.7	3.37	6.59	2.95
September	13.5	1.9	3.24	6.41	2.98
October	14.4	2.2	3.32	6.58	3.02
November	14.4	2.0	3.66	6.86	2.94
December	14.2	1.7	3.67	6.75	2.87
January 1993	13.4	1.2	3.26	6.59	2.87
February			3.18	6.26	2.80

JAPAN

	Narrow Money (M1)	Broad Money (M2+CDs)	Short Interest Rate	Long Interest Rate	Equity Market Yield
1985	5.0	8.4	6.62	6.51	n.a.
1986	6.9	8.7	5.12	5.35	0.84
1987	10.5	10.4	4.15	4.64	0.55
1988	8.4	11.2	4.43	4.77	0.54
1989	4.1	9.9	5.31	5.22	0.48
1990	2.6	11.7	7.62	6.91	0.65
1991	5.2	3.6	7.21	6.37	0.75
1992	4.5	0.6	4.28	5.25	1.00
1st qtr.1992	7.5	1.7	5.02	5.49	0.88
2nd qtr.1992	5.7	1.2	4.56	5.63	1.04
3rd qtr.1992	3.2	−0.0	3.90	5.10	1.06
4th qtr.1992	1.7	−0.5	3.67	4.78	1.03
March 1992	7.5	1.8	4.84	5.51	0.93
April	7.0	1.6	4.59	5.68	1.06
May	6.9	1.1	4.59	5.68	1.00
June	3.2	0.9	4.49	5.55	1.06
July	2.9	0.2	4.19	5.26	1.10
August	3.7	0.3	3.75	5.03	1.12
September	2.9	−0.5	3.74	4.99	0.98
October	2.5	−0.6	3.71	4.90	1.04
November	1.6	−0.5	3.65	4.76	1.05
December	1.1	−0.4	3.64	4.70	1.00
January 1993	2.4	−0.3	3.59	4.55	1.03
February			3.15	4.31	1.01

GERMANY

	Narrow Money (M1)	Broad Money (M3)	Short Interest Rate	Long Interest Rate	Equity Market Yield
1985	4.3	5.1	5.45	6.94	n.a.
1986	10.0	8.3	4.64	5.90	1.79
1987	9.0	7.3	4.03	6.14	2.21
1988	9.7	6.4	4.34	6.46	2.61
1989	6.3	5.7	7.11	6.94	2.22
1990	4.5	4.5	8.49	8.71	2.11
1991	5.1	5.6	9.25	8.44	2.38
1992	7.1	8.2	9.52	7.77	2.45
1st qtr.1992	4.3	6.6	9.62	7.91	2.31
2nd qtr.1992	6.4	7.9	9.76	7.96	2.26
3rd qtr.1992	6.6	8.8	9.72	7.88	2.53
4th qtr.1992	10.7	9.6	8.98	7.34	2.67
March 1992	4.9	7.0	9.70	7.94	2.25
April	6.9	7.6	9.75	7.94	2.26
May	5.8	7.8	9.79	7.96	2.26
June	6.6	8.2	9.75	7.97	2.27
July	5.5	8.4	9.78	8.01	2.37
August	6.1	8.7	9.88	7.99	2.60
September	8.3	9.3	9.50	7.65	2.62
October	8.5	10.4	8.95	7.38	2.72
November	11.2	9.7	8.94	7.36	2.66
December	12.5	8.7	9.03	7.29	2.64
January 1993	9.5	7.7	8.60	7.10	2.58
February			8.39	6.94	2.43

FRANCE

	Narrow Money (M1)	Broad Money (M3)	Short Interest Rate	Long Interest Rate	Equity Market Yield
1985	6.2	7.4	10.03	11.74	n.a.
1986	6.9	6.8	7.79	8.74	2.65
1987	4.1	9.9	8.26	9.46	2.75
1988	3.9	8.4	7.94	9.08	3.69
1989	8.1	9.6	9.39	8.79	2.88
1990	3.6	9.0	10.32	9.92	3.19
1991	−4.7	2.7	9.62	9.03	3.58
1992	0.8	5.7	10.36	8.57	3.55
1st qtr.1992	−1.8	3.9	10.05	8.48	3.40
2nd qtr.1992	−1.8	4.9	10.04	8.66	3.39
3rd qtr.1992	−1.0	4.8	10.58	8.90	3.67
4th qtr.1992	0.8	5.7	10.77	8 26	3.72
March 1992	−1.8	3.9	10.12	8.58	3.31
April	−1.4	4.5	10.04	8.67	3.37
May	1.7	5.7	9.96	8.58	3 33
June	−1.8	4.9	10.11	8.73	3.47
July	−0.6	5.1	10.23	8.90	3.69
August	−1.6	4.9	10.39	9.06	3.71
September	−1.0	4.8	11.12	8.75	3.61
October	1.5	6.3	11.12	8.43	3.83
November	−0.1	6.0	9.77	8.14	3.70
December	0.8	5.7	11.35	8.20	3.64
January 1993			12.16	7.93	3.58
February			12.12	7.76	3.40

ITALY

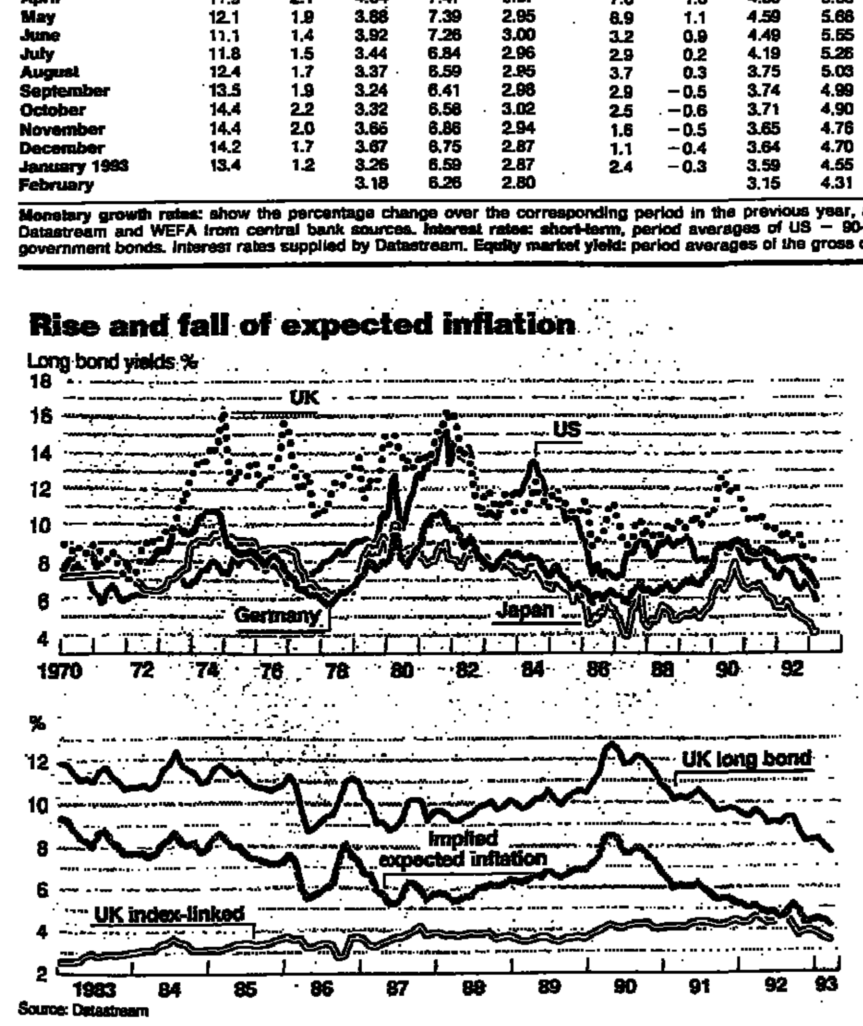
	Narrow Money (M1)	Broad Money (M2)	Short Interest Rate	Long Interest Rate	Equity Market Yield
1985	13.2	13.5	14.34	13.71	n.a.
1986	10.5	8.2	13.25	11.47	1.41
1987	10.4	9.8	11.32	10.58	1.94
1988	7.8	6.9	11.24	10.54	2.71
1989	7.1	8.2	12.41	11.61	2.46
1990	9.3	9.1	11.98	11.87	2.84
1991	7.3	8.0	11.83	13.20	3.45
1992	6.9	7.5	13.86	13.29	3.63
1st qtr.1992	8.9	8.1	12.04	12.65	3.40
2nd qtr.1992	9.7	9.3	12.58	12.82	3.43
3rd qtr.1992	6.0	6.9	16.14	13.83	4.02
4th qtr.1992	3.1	5.9	14.64	13.84	3.68
March 1992	7.4	7.4	12.10	12.59	3.49
April	9.8	9.3	12.24	12.71	3.51
May	9.4	9.0	12.24	12.60	3.45
June	10.0	9 6	13.23	13.14	3.34
July	7.5	8.0	15.36	13.65	3.78
August	5.4	6.5	15.27	13.71	3.94
September	5.1	6.1	17.82	14.14	4.35
October	5.6	7.4	15.53	14.36	3.95
November	2.8	5.9	14.53	13.48	3.48
December	1.0	4.5	13.90	13.66	3.61
January 1993	2.3	5.4	12.73	13.46	3.26
February			11.51	13.03	3.01

UNITED KINGDOM

	Narrow Money (M0)	Broad Money (M4)	Short Interest Rate	Long Interest Rate	Equity Market Yield	
1985	4.7	13.2	12.32	11.03	n.a.	1985
1986	4.0	15.3	11.02	9.97	4.35	1986
1987	4.7	14.8	9.77	9.52	3.60	1987
1988	6.8	17.0	10.41	9.69	4.48	1988
1989	5.9	17.5	13.96	10.30	4.36	1989
1990	5.3	16.1	14.82	11.53	5.07	1990
1991	2.4	8.2	11 58	10.04	4.97	1991
1992	2.3	5.3	9 73	9.09	4.91	1992
1st qtr.1992	2.2	6.0	10.61	9.50	5.00	1st qtr.1992
2nd qtr.1992	2.0	5.3	10 28	9.21	4.78	2nd qtr.1992
3rd qtr.1992	2.3	5.3	10.39	9.21	5.21	3rd qtr.1992
4th qtr.1992	2.8	4.5	7.68	8.45	4.64	4th qtr.1992
March 1992	2.3	5.8	10.67	9.66	5.04	1992 March
April	2.3	5.6	10.68	9.41	4.91	April
May	2.5	5.1	10.13	9.06	4.61	May
June	1.3	5.3	10.03	9.15	4.82	June
July	2.5	5.7	10.21	9.08	5.15	July
August	2.4	5.5	10.43	9.37	5.33	August
September	2.1	4.8	10.54	9.18	5.14	September
October	2.4	5.4	8.49	8.69	4.83	October
November	3.0	4.4	7.32	8.27	4 60	November
December	3.0	3.7	7.24	8.38	4.49	December
January 1993	4.1	3.2	7.04	8.33	4.46	1993 January
February			6.23	7.97	4.36	February

Monetary growth rates: show the percentage change over the corresponding period in the previous year, and are positive unless otherwise stated. All growth rates refer to the seasonally adjusted series except for Japan and Italy. German monetary statistics now form a continuous pan-German series. Monetary data supplied by Datastream and WEFA from central bank sources. Interest rates: short-term, period averages of US – 90-day commercial paper, Japan – 3-month certificates of deposit, Germany – 3-month Fibor, France – 3-month Pibor, Italy – 3-month Euro-lira, UK – 3-month Libor; long-term, period average yields on 10-year benchmark government bonds. Interest rates supplied by Datastream. Equity market yield: period averages of the gross dividend yield on the relevant FT-A world index.

Rise and fall of expected inflation



Source: Datastream

Good news being prophesied by the bond markets

ARE THE 1990s to be a decade of low inflation? That is what bond markets seem to be saying. If they are right, what might it mean for the recovery?

The timing of the bond market rally has closely followed that of the business cycle. It started in the US, where redemption yields on 10-year government bonds have fallen by 3¼ percentage points since March 1989 (see chart). It moved to the UK, where yields on 10-year gilts have fallen by more than 5 percentage points from their peak in April 1990. Finally, it hit Japan and Germany: Japanese yields have fallen by almost 4 percentage points since September 1990, while German ones have fallen by 2¼ points over the same period.

The US and the UK have not enjoyed bond yields as low as these since the early 1970s. In better managed economies, current yields are less remarkable. German long-term rates of interest were 5.7 per cent in March 1978 and below current levels for part of the late 1980s. Similarly, Japanese long-term interest rates were lower, if briefly, in April and May 1987. Furthermore, current rates must be set in their historical context. Long-term yields are still well above what had been normal in either the US or the UK before the inflationary 1960s and 1970s.

Bond yields reflect the long-term real rate of interest, expected inflation and taxation. The latter can be ignored, however, since so many holders of long-term bonds avoid (or evade) tax.

The long-term *ex ante* real rate of interest is determined by supply of, and demand for, investible funds. But the real rate of interest cannot be ascertained from yields on conventional bonds, since inflation expectations are unknown.

Here British index-linked gilts can help. Under certain strong assumptions – perfect global capital market integration and the absence of credit and real exchange-rate risks – the interest rate on British index-linked gilts would also represent the world's long-term real interest rate. Although those assumptions do not hold, the information provided in the chart is helpful. It shows that real interest rates can vary substantially over time. It also shows that British real interest rates have fallen by more than one percentage point over the past 12 months, presumably because of the recession-induced decline in investment opportunities and the real depreciation of sterling (which has lowered the exchange rate risk on sterling-denominated assets).

Nevertheless, the British data suggest that lower inflation expectations were absolutely more important than lower real rates of interest in causing the decline in nominal bond yields. For a tax-exempt British institution, expected inflation, as measured by the gap between the yields on conventional and index-linked gilts, has fallen by nearly 4½ percentage points since early 1990.

If 3½ per cent were, indeed, the global risk-free real rate of interest, expected inflation would now be around 3 per cent in Germany, 2¾ per cent in the US and ½ per cent in Japan. These low figures suggest a high degree of confidence in the prospect for inflation. Furthermore, the recent strength of stock markets – except for the Japanese market, which also remains rather expensive – does not suggest that fears of a slump are the main reason for that optimism over inflation.

One good reason for optimism about real economic performance is the low bond yields themselves. Regardless of the real interest rate, high nominal interest rates increase the cash-flow risks attendant on borrowing for the purchase of long-term assets. If they are sustained, low long-term interest rates can help ensure healthy long-term investment throughout the upswing. But for that to happen, inflation expectations need not only to be but to remain subdued. The confidence of all those investors who believe that low inflation will survive the recovery is admirable. But, particularly for those buying huge quantities of gilts from the UK government, it also represents the triumph of hope over painful experience.

Martin Wolf

Tories prepare for defeat on Maastricht

By Philip Stephens, Political Editor

THE government was last night bracing itself for the possibility of a House of Commons defeat over Maastricht despite Mr John Major's public plea to Tory Euro-sceptics to end their rebellion against the treaty.

A defeat in the vote by MPs tonight on a minor amendment tabled by the Labour party would not derail ratification of the treaty. But it would undermine seriously the prime minister's efforts to re-assert the government's authority at Westminster.

Speaking at a Conservative conference on Saturday Mr Major said the party could no longer afford the "luxury" of disunity. That view was echoed in warnings from colleagues that important parts of the government's legislative programme were being derailed by the row over Europe.

Last night Tory Eurosceptics were unmoved by Mr Major's warning that failure to ratify Maastricht would leave Britain "irrelevant" in Europe. They still intend to vote tonight for the Labour amendment.

The amendment would ensure that British representatives on the Community's new committee of the regions were elected rather than appointed.

If carried, it would allow the Tory rebels and opposition parties to further prolong debate by introducing a so-called "report stage" into the legislation's passage through the Commons. That would allow the rebels more time to press their case for a referendum on the treaty and would further disrupt the government's other legislation.

Ministers were insisting that a defeat might yet be avoided. Tory business managers will this morning discuss the possibility of conceding the substance of the Labour amendment in advance of a vote in the hope of winning the support of the Liberal Democrats and other opposition parties.

In an attempt to increase the pressure on the Tory rebels, the ministers said yesterday that new laws to enforce tougher penalties on young offenders and to reform Sunday trading hours were among those facing delay because so much time at Westminster was being pre-empted by Maastricht.

Quality control fails to meet its own standards

By Charles Batchelor

BRITISH companies are paying thousands of pounds and spending hours of management time to qualify for a quality standard which appears to have a quality control problem of its own.

The BS5750 quality standard has already been obtained by about 17,000 companies. But it has emerged that a loophole in the rules means anyone can award a BS5750, which certifies a company's internal procedures are properly organised.

Consultancies and other organisations which issue and monitor BS5750 certificates are not required to register with the National Accreditation Council for Certification Bodies (NACCB), an industry body which ultimately answers to the Department of Trade and Industry.

"There appears to be absolutely no control over the organisations making the award," said Mr Stephen Halliday, principal lecturer in small business at Buckinghamshire College of Higher Education.

Two dozen organisations have been accredited but the NACCB estimates that up to a dozen which have not registered are actively issuing certificates.

Britain in brief

Coal strike may hasten pit closures

Mr Michael Heseltine, the trade and industry secretary, has warned pit closures would be 'hard to avoid' if miners took strike action.

This followed the announcement of a 60 per cent ballot vote by members of the National Union of Mineworkers in favour of a 24 hour strike followed by a 'rolling programme of action' in protest at threatened pit closures and job cutbacks. The miners' vote is expected to strengthen the hand of those in the cabinet resisting moves to retreat from last October's government plans to shut 31 pits.

Steel tenders helped by pound

Manufacturers of steelwork have seen invitations to bid for overseas work increase fifteenfold since sterling left the exchange rate mechanism last Autumn, according to the British Constructional Steelwork Association.

Unit labour costs decline

Unit labour costs in British manufacturing industry are expected to continue falling over the next few months with productivity increasing close to 4 per cent and pay settlements falling beneath 2.5 per cent, the Confederation of British Industry reported.

Shopping spree

Local shopping is attracting significant amounts of trade, despite the spread of superstores and out-of-town developments, suggests a report by Verdict Research, the market research consultants. It says spending in neighbourhood shops was £36bn in 1992 – one quarter of all retail sales.

Directors confidently predict end to recession

By Michael Cassell and Philip Stephens

FURTHER evidence that the economy may be slowly emerging from recession comes today from the Institute of Directors, which reports a surge in confidence in Britain's boardrooms.

An IoD survey conducted among 305 UK directors will strengthen the conviction among ministers that Mr Norman Lamont, the chancellor, is preparing to announce in next week's budget an increase in personal taxation.

Speculation is growing that Mr Lamont will unveil a phased package of increases including curbs on income tax allowances for the higher paid and an extension of value added tax.

A staged move to restrict personal and other income tax allowances to the basic rate of tax would raise eventually several billion pounds.

The optimistic economic outlook is helped by signs of a boost to exports following sterling's devaluation after its suspension last October from the European exchange rate mechanism.

The IoD says that just over half the directors asked in January and February were more optimistic about the economic outlook for 1993. In October, the figure was only 10 per cent.

Directors are even more buoyant about prospects for their own businesses, with 60 per cent expecting an improvement in trading. But the IoD warns that, unless consumer confidence also rises, economic recovery will remain weak and fragile.

Most companies, the IoD adds, do not expect an upturn will reduce unemployment over the next six months.

Despite rising business volumes, profit levels remain squeezed, with companies uanble to pass on increased costs to customers. Manufacturing investment appears to have improved slightly in the early part of 1993, although some other business sectors have cut investment levels.

Mr Peter Morgan, IoD director general, said yesterday: "With business confidence improving, volumes of business rising and prices being held, the prospects for non-inflationary growth are good. It is now up to the government to ensure that no action is taken in the budget which introduces inflationary pressures into the economy."

Japanese investment revives stalled industry

Plants set up by overseas manufacturers have boosted car output, writes Kevin Done

Can Britain make it ?

BRITAIN'S motor industry is showing signs of revival after decades of decline. The biggest single driving force behind the recovery is the wave of investment – totalling more than £2.1bn – by three leading Japanese carmakers, Nissan, Toyota and Honda.

New production lines and working practices have equipped the UK to be the fastest growing centre for car production in Europe during the 1990s, and the industry is expected to move into trade surplus during the second half of the decade.

Mr Colin Hope, president of the Society of Motor Manufacturers and Traders, says: "The prospects are for a doubling of production over the next 5 years.

"The motor industry represents the only real ability to wipe out our annual trade deficit and this we should do by the latter part of the decade."

Mr Hope believes the Japanese plants are the main factor behind the revival but he insists that existing vehicle makers and components suppliers are "playing a full part" in the recovery.

To Mr Jacques Calvet, the staunchly protectionist chairman of Peugeot, the French carmaker, the UK has become "a Japanese aircraft carrier" leading the assault by Japanese producers on the traditional carmakers in Europe.

Driving force: output from Japanese plants, such as the Toyota factory at Deeside (above), has been the main factor behind recovery

By the end of the decade the UK car industry – measured by output – will be owned one third by Japanese makers, one third by the US and one-third by the Europeans, although Honda also has a 20 per cent stake in Rover.

The arrival of the Japanese car producers is also helping to rejuvenate the automotive components sector. Parts and accessories account for around 45 per cent of UK exports of motor industry products. Japanese component suppliers such as Nippondenso, Calsonic and Sumitomo are now producing in the UK, but European suppliers such as Valeo, Robert Bosch and Magneti Marelli have also established a UK manufacturing presence.

Professor Garel Rhys, professor of motor industry economics at Cardiff Business School, says the Japanese presence could help UK car production jump to 2.5m-2.8m by 2000 from 1.3m last year, with exports rising to 1.2m-1.5m from 600,000.

The figures represent a sharp turnround on the 1970s when labour relations were notorious and quality was often abysmal.

The motor industry trade balance plunged into the red in 1982, and economic growth in the second half of the 1980s sucked in more imports.

The deficit swelled to a record £6.6bn in 1989 – 28 per cent of the UK visible trade deficit. Since then, however, "the UK automotive industry has laid firm foundations for a strong future, even though we've still got a long way to go", according to Mr William Ebbert, chairman of Vauxhall, the resurgent UK subsidiary of General Motors of the US.

By the year 2000 the UK could have moved "from fifth to maybe third place in the European industry", he added, overtaking Italy and Spain. "The British industry is now delivering quality products reliably, and in European terms, at low costs."

The UK industry built 1.16m vehicles in 1982 with 315,000 people (including metal parts suppliers). By 1991 output had risen to 1.45m vehicles with a workforce of 216,000, he says, while motor vehicle exports rose from 327,000 in 1982 to nearly 690,000 in 1991.

Prof Rhys claims the industry, with its competitive improvements reinforced by currency devaluation, is "set to survive in the more competitive environment leading up to the new millennium."

An increasing number of employers are insisting on smoke-free workplaces, writes **Diane Summers**

Abbey kicks the habit

On the first Wednesday morning of next month, Abbey National's 18,000 staff in the UK will collect their ashtrays and ritually dispose of them. From then on, not even senior managers in the privacy of their offices will be allowed a furtive puff, for the banking group has decided on a smoking ban for staff and visitors.

Abbey National is the latest of a number of large employers to outlaw or at least restrict, smoking at work: an estimated 20 per cent of organisations have smoking policies. For others considering the move, impetus came from the recent case of the council worker in the north-west of England who won £15,000 compensation for the alleged effects of passive smoking at work.

Veronica Bland, a 36-year-old non-smoker, claimed her health suffered due to colleagues smoking around her. Following the case, the Institute of Personnel Management and anti-smoking groups such as Action on Smoking and Health (Ash), were deluged by requests for advice from employers.

This same pattern of legal action, publicity and movement by employers, and in some cases governments, towards restricting or banning smoking has been seen in the US, Australia and elsewhere in Europe.

The out-of-court Bland settlement has no status as a legal precedent, but many companies feel they no longer wish to risk the possibility of future claims. Public opinion has been gradually turning in favour of smoke-free working environments and to be a non-smoking organisation fits in with the image many companies wish to project.

Individual addicts may intend to take advantage of No Smoking Day on March 10 to kick the habit, but for organisations wanting to give up smoking, the cold-turkey approach is unlikely to be effective. Unless much preparatory work has been done before Wednesday, a more realistic timetable might be to aim for No Smoking Day 1994.

A year's lead-in was what Abbey National found it needed to introduce its smoking ban. The group's experience provides other organisations with some useful lessons on the practicalities involved.

Ted Murphy, Abbey National's group personnel manager, says the process has been evolutionary, with smoking banned in areas visible to the public for the past five years.

A working party was set up last March to review the options for developing a smoking policy which would "guarantee non-smokers the right to breathe smoke-free air but, where possible, take account of the needs of those who smoke".

A questionnaire found that 80 per cent of staff were non-smokers – much the same proportion as in the UK population as a whole. Of the smokers, only 20 per cent smoked in their working areas and, even among smokers, there was a preference for some restrictions on where smoking should be allowed. Nearly 60 per cent of all respondents thought there should be separate rooms for smoking. But Abbey National decided not to go the "smoking dens" route, mainly because it would have been impracticable in some locations, particularly in very small branches.

Stephen Smart, a treasury manager, has only a few weeks left before Katie Poate helps impose the smoking ban

There is no point having a designated smoking area if it is not separately partitioned and ventilated – an exercise Abbey National's premises department considered impossible or too expensive for some locations. Other companies, particularly those in single buildings or occupying purpose-built premises, have found it easier to accommodate separate smoking rest areas.

The principle of consistency has been applied throughout the hierarchy.

"If you're going to introduce a ban, it's simpler and cleaner to do it for all parts of the organisation. If you draw lines based on status, you create warps in the policy that, in the end, undermine it," he says.

The final task was to help those employees wanting to take advantage of the April deadline to give up smoking altogether. Katie Poate, Abbey National's occupational health nursing officer, points out the company is not saying do not smoke, "but saying don't smoke at work".

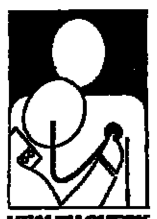
A three-month warning of the ban has enabled many smokers on the staff to brace themselves for abstinence. Poate has given out a total of 450 packs advising how to give up and interest-free loans of up to £200 are available to those wanting to try hypnosis or nicotine patches.

For those who do not manage to kick the habit by the deadline, at least there will be only three days to go until the weekend.

Ash Workplace Services runs seminars and publishes a handbook for companies wanting to implement smoking policies. 109 Gloucester Place, London W1H 3PH. Tel: 071 935 6120.

Quit also runs courses and helps individual smokers to give up. 102 Gloucester Place, London W1H 3DA. Tel: 071 487 2858.

An active 'no' to passive smoking



HEALTH CHECK

IN THE home, in hotels and in aircraft, busy executives are exposed to it: a human carcinogen so powerful it is classified along with such notorious substances as arsenic, asbestos and benzene. After several decades of intensive research the evidence is that environmental tobacco smoke (ETS), or passive smoking as it is known, is a potential killer. Studies show it causes heart disease, lung cancer and chronic respiratory illnesses.

In the US alone, 53,000 deaths are attributed to passive smoking every year, making it the third highest cause of lifestyle-related deaths, after active smoking and alcohol disease.

Most of the research on passive smoking since 1984 has demonstrated the causal relationship with fatal diseases – not least the review in 1986 by the US Surgeon General and the National Academy of Sciences. Critics (including those from the scientific community) often cited investigator and other bias in attempts to discredit that work, but they have since been confronted by more meticulous findings.

In 1991, an article published by the American Heart Association presented data which revealed passive smoking lowers exercise capacity in both healthy and coronary patients, a hallmark of impaired coronary circulation. Among other immediate effects of passive smoking is the increased clumpiness or stickiness, of clot-forming cells (platelets) in the blood. This plays an important role in plaque and clot formation in coronary circulation. Passive smoking also causes an oxygen supply/demand imbalance by increasing heart rate and blood pressure and interfering with oxygen uptake by the red cells, thereby reducing supply.

One researcher exposed healthy young women to pure air contaminated with tobacco smoke while the subjects exercised on a treadmill. The results in heart rate, blood pressure, exhaustion, perceived exertion and oxygen uptake were similar to patients with heart disease.

Of the 4,000 or more substances identified as carcinogenic, atherogenic (plaque forming), antigenic (allergy-forming) and mutagenic in tobacco smoke, all those implicated in causing heart disease and lung cancer in active smokers were found in ETS as well.

In an earlier Danish study of pregnant women – a study of the ultimate passive smoker, the foetus – marked degenerative changes were noted in the umbilical arteries of newborns of smoking women. The weight of the "smoking newborn" was, on average, nearly 500g less than their non-smoking counterparts.

Children are better off with non-smoking parents: toddlers under the age of one have significantly more bronchitis and other respiratory illness when one or both parents smoke. As the child grows, exposure to passive smoking in the home will lower lung capacity, predisposing the child to lung illnesses later in life.

At the office, ETS levels are higher than in the home, due to the higher density of smokers. Employers are getting the message and are justifiably concerned with maintaining productivity and containing health care costs and absenteeism. Insurance industry studies indicate smokers are more likely to have higher health costs and more sick days than non-smokers.

A careful analysis of health claims and absentee data of passive smokers is the critical next step.

The link between ETS and lung cancer was claimed in research from the Harvard School of Public Health published last autumn in the Journal of the American Medical Association. Those involved used clever innovations to overcome investigator bias: autopsy lung specimens of several hundred non-smokers aged over 35 who had died of non-cancerous and non-respiratory causes (heart attack was the most common cause of death) and independent interviews with survivors regarding occupational and smoking status. The researchers concluded that pathologic (possibly pre-cancerous) changes were higher in non-smoking women, married to a smoker.

Possibly the most incriminating link in the connection between ETS and disease came via the tobacco industry. In a survey, published by the American Journal of Public Health, of researchers who had received funds from the tobacco industry's Council for Tobacco Research, 99 per cent of respondents agreed smoking was addictive and 94 per cent believed passive smoking was dangerous to health.

Dr Michael McGannon

The author is the medical director of the Insead Business Health course.

Family fun at the AGM

Directors who dread annual meetings might learn something from NFC. The transport and logistics group has a strong tradition of employee share ownership. Following its 1982 sale by the UK government to a management-led buyout, about 90 per cent of the company's 33,000 employees are shareholders. As a result, the annual meeting has become as much a chance to inform and motivate employees as to reappoint the auditors.

This year's event, held last Sunday in Nottingham and attended by more than 1,000 shareholders, had the air of a friendly reunion rather than a business meeting.

Shareholders travelling by car or in a group by coach had their petrol costs refunded. A crèche was provided for young families and everyone was given a packed lunch. At the end of the meeting, after rousing speeches and congratulations to the management, shareholders were given questionnaires asking how the annual event could be improved.

The meeting is also a forum to discuss future strategy. NFC's 1989 stock-market flotation, its diversification overseas and the appointment of a shareholder director are all issues which have been aired in previous years.

This time one shareholder highlighted the plight of a former NFC employee fallen on hard times. James Watson, NFC's chairman, said that the NFC charitable foundation would look into the case, and was rewarded with a long round of applause.

Organising such large-scale events is not cheap; NFC spent about £65,000 on this year's meeting. For the future, Watson wants to attract even more shareholders and believes other companies would benefit from following NFC's lead.

"Our shareholders do feel they have a role in the business, and I would like to see other companies going that way, however they are owned," he said.

Angus Foster

THE WEEK AHEAD

ECONOMICS

US recovery concerns in the spotlight

THE US economic recovery comes under the spotlight this week. Although last week's non-farm payroll figures were much better than expected, there is a feeling among economists that growth has slowed significantly since the beginning of the year following the spurt of activity that accompanied President Clinton's election.

Retail sales on Thursday are expected to reflect the deceleration of growth, with the consensus forecast pointing towards only a modest increase last month.

Economists will also be looking for signs that US inflation is under control when the producer prices index is released on Thursday. Mr Stuart Parkinson, international economist at Morgan Grenfell, believes there is too much complacency about US inflation.

"People are assuming it is going to go away, but all the January inflation figures were bad," he says.

In the UK the focus will be on Thursday's Confederation of British Industry quarterly distributive trades survey, expected to show a modest improvement in consumer activity.

On Friday the savings ratio for the fourth quarter of last year will be published. This is forecast to have fallen by almost a full percentage point, reflecting lower interest rates.

Here are the rest of the week's economic events and statistics. The figures in brackets, from MMS International, are the median of economists' forecasts.

Today: UK, January consumer credit (£50m net borrowing), cyclical indicators; Belgium, foreign ministers meeting in Brussels; Switzerland, central bank governors meeting in Basle, lasting two days; Canada, February housing starts (162,000 units); Japan, Bank of Japan Tankan quarterly economic survey, February Tankan manufacturing diffusion index (down 49 per cent), February non-manufacturing diffusion index (down 35 per cent); Australia, Labour Day holiday in Victoria.

Tomorrow: UK, February producer prices – input (up 1 per cent on month, up 6.7 per cent on year), output (up 0.4 per cent on month, up 3.6 per cent on year), excluding food, drink and tobacco (up 2.7 per cent on year); Germany, Q4 GDP (down 1.3 per cent on quarter), Q4 GNP (down 1.5 per cent on quarter); US, President Clinton meets President Mitterrand in Washington, revised figures for Q4 productivity, January wholesale trade, February Johnson Redbook, week ended March 6; Canada, January motor vehicle sales (down 5 per cent on month), December labour income (up 0.3 per cent on month); Australia, January retail trade (flat on month); Japan, January machine orders excluding electrical and ships.

Wednesday: US, Presidents of 12 district Federal banks to testify before Senate Banking committee on economic conditions in their districts, Treasury secretary Bentsen testifies before House Ways and Means Committee, Fed releases Tan Book for March 23 FOMC meeting; Canada, February help wanted index (89), January new housing price index (down 0.1 per cent), January departmental store sales (up 3 per cent on year); Australia, Q4 exports and imports of goods and services; Norway, February consumer prices index (up 2.5 per cent on year).

Thursday: UK, CBI quarterly distributive trades survey, Q4 balance of payments (£3.7bn deficit); Germany, Kohl meets Länder heads for fiscal talks; US, February retail sales (up 0.2 per cent), excluding autos (up 0.3 per cent), initial claims week ended February 27 (341,000), state benefits week ended February 20, money supply data for week ended March 1, February monthly money supply figures M1 (down $0.5bn), M2 (down $13bn), M3 (down $9.5bn); Canada, February employment (up 0.2 per cent on month), unemployment rate (11.2 per cent); Australia, February employment (down 20,000), February unemployment (11.1 per cent).

Friday: UK, Q4 savings ratio (11.1 per cent), Q4 final GDP (up 0.2 per cent on quarter, flat on year); US, February PPI (up 0.3 per cent on month), excluding food and energy (up 0.2 per cent on month), March Michigan Sentiment, January business inventories (unchanged); Australia, January weekly pay rates; February wholesale prices index (down 0.4 per cent on month, down 1.5 per cent on year).

Saturday: Australia, general election.

During the week: Germany, February cost of living, January retail sales (down 3.2 per cent on year); France, M3 (up 0.2 per cent on month); Denmark, January trade excluding ships (DKr1.6bn surplus); Japan, February trade balance ($11.9bn surplus), Q4 GNP.

Emma Tucker

PARLIAMENTARY DIARY

■ TODAY
Commons: Questions to Transport ministers and Chancellor of the Duchy of Lancaster. *European Communities (Amendment) Bill, committee.*
Lords: Debate on EC report on fight against fraud. *Council Tax Benefit* regulations. Water Undertakers *(Rateable Values) (Amendment) Order.* Malvern Hills Bill, second reading.
Select committee: Public accounts – subject: Northern Ireland matters. Witnesses: Mr P. Carvill, permanent secretary, Department of Education for Northern Ireland; Mr T.G.J. Moag, chief executive, Belfast education and library board; Mr R.D. McVeigh, chief executive industrial development board for Northern Ireland (4.30pm, room 15).

■ TOMORROW
Commons: Defence questions. *Questions to the Prime Minister.* Debate opened by the Opposition on "the collapse of manufacturing industry and the rise of unemployment". Public Lending Right (Increase of Limit) Order.
Lords: Penalty for Murder Bill, committee. *Housing and Urban* Development Bill, committee. British Railways Bill, third reading. Redundancy Payments (Local Government) (Amendment) Order.

■ WEDNESDAY
Commons: Foreign Office questions. *Prevention of Terrorism (Temporary Provisions) Act (Continuance) Order. Foreign Compensation (Amendment)* Bill, remaining stages. Debate on European Court of Auditors' report. Plymouth Development Corporation (Area and Constitution) Order.
Lords: Debates on the food and drink industry and overseas students. Housing (Fitness Standards) (Amendment) Bill, third reading.
Select committees: Environment – subject: housing corporations. Witnesses: Institute of housing; Royal Institution of Chartered Surveyors; *Royal Institute of British architects* (9.15am, room 21).
Parliamentary commissioner for administration – subject: reports of the health service commissioners for 1991-92. Witnesses: Sir Duncan Nichol, chief executive of the NHS management executive, and Mr D.G. Cruickshank, chief executive for the NHS in Scotland (10am, room 19).
Trade and industry – subject: trade with Europe. Witnesses: the Post Office (10.30am, room 15).
Agriculture – subject: effects of the *beer orders on the brewing industry* and consumers. Witnesses: Allied Lyons, Bass, Whitbread, Scottish and Newcastle (10.45am, room 20).
Defence – subject: progress of the *Trident programme.* Witnesses: Ministry of Defence officials (10.50am, room 8).
Agriculture – subject: effects of the beer orders in the brewing industry and consumers. witnesses: Courage, Grand Metropolitan estates (4pm, room 18)
Employment – subject: the import and exports of jobs; management of redundancies. Witnesses: Ford (UK) (4.15pm, room 20).
Health – subject: community care. Witnesses: representatives of users of community cares and carers (4.15pm, room 21).
Public accounts – subject: fire prevention. witnesses: Sir Clive Whitmore, Home Office permanent under secretary (4.15pm, room 16).
Treasury and civil service – subject: *the civil service.* Witness: *Sir Robin* Butler, head of the home civil service (4.30pm, room 8).
Home affairs – subject: juvenile offenders. Witnesses: National Association for the Care and Resettlement of Offenders; Howard League of Penal Reform (4.45pm, room 15).

■ THURSDAY
Commons: Home Office questions. Questions to the Prime Minister. *European Communities (Amendment)* Bill, committee.
Lords: Clean Air Bill, third reading. Radioactive Substances Bill, third reading. Charities Bill, third reading. Asylum and Immigration Appeals Bill, *third reading.*
Select committees: Foreign affairs – subject: *role of the United Nations.* Witnesses: Ministry of Defence officials (10.30am, room 15).
Education – subject: English tests for 14-year-olds. Witness: Mr John Patten, education secretary (4pm, room 15).

■ FRIDAY
Commons: Backbench business – debate on government's management of the economy.
Lords: Not sitting.

RESULTS DUE

HEADLINE pre-tax profits from BTR, the industrial conglomerate, should have increased from £917m in 1991 to comfortably exceed £1bn last year, although about £50m will come from profits on disposals.

Analysts at Thursday's meeting will be interested in what benefits have come from the integration of *Hawker Siddeley, taken over for* £1.55bn at the end of 1991, and current trading conditions in the *US.*

BAT Industries, the tobacco and financial services group, is expected to report annual pre-tax profits of more than £1.55bn, up from £1.05bn, on Wednesday. Interest will centre on whether recent strong growth in cigarette sales can be maintained, and how Eagle Star is recovering from the heavy losses it has incurred on mortgage indemnity policies.

Full year results from RTZ, the world's largest mining company, due on Thursday were foreshadowed last month when the group said there would be an exceptional charge of £52m, compared to a £74m charge in 1991. RTZ plans to adopt FRS 3. Net income, the line RTZ prefers to focus on, is expected to rise from £308m to around £330m, after interim net income was up from £154m to £158m. A maintained final is likely.

On Wednesday, Cadbury Schweppes is expected to announce pre-tax profits of about £325m for the full year, up from £316.4m last time. Trading profits in Britain and the US are thought to have finished the year on a strong note.

TI, the specialist engineering group, is expected to produce pre-tax profits of about £109m, up from £105.2m, and earings of 18p, when it reports results for 1992 on Thursday.

The company has underperformed since its acquisition last year of Dowty, which has suffered from the sharp deterioration in sentiment in the aerospace industry.

Both GKN and T&N, the motor components groups, saw profits bounce back in the first half of last year as they reaped the benefits of cost-cutting and overseas investment.

While full-year increases – to be announced on Wednesday – are expected to top 30 per cent in both cases, questions will be raised about the state of the German car market and other parts of the continent. As a counterweight, the news should be good on US demand.

GKN is expected to report £125m, compared with £95m, while the consensus for T&N is £65m, against £49m. The former's dividend should be roughly covered, but T&N's will not be yet again.

The betting is that T&N will nevertheless hold the payment.

UK COMPANIES

■ TODAY
COMPANY MEETINGS:
Treatt, Bedford Lodge Hotel, Bury Road, Newmarket, Suffolk, 12.00
BOARD MEETINGS:
Finals:
British Vita
Calderburn
Doeflex
Fairey
Gevett & Co.
Greggs
Intrum Justitia
Merchants Tst.
Perkins Foods
Persimmon
RPS
Readymix
Transport Development
USDC Inv. Tst
Wyevale Garden Centres
Interims:
Cornwell Parker
Domestic & General
Kleinwort Dev. Fund
MR Data Management
Sime Darby Berhad

■ TOMORROW
COMPANY MEETINGS:
Intercare Group, The Holiday Inn Crowne Plaza Hotel, Peter Street, Manchester, 12.00.
Kelsey Industries, Kelsey House, Wood Lane End, Hemel Hemstead, Herts., 11.00.
BOARD MEETINGS:
Finals:
BBA
De Beers Cons. Mines
Glynwed
Hillsdown
Kerry
North Midland Constrn.
Saatchi & Saatchi
Singer & Friedlander
Strong & Fisher
Wates City of Lon Props.
Interims:
Pict Petroleum
Union Square

■ WEDNESDAY MARCH 10
COMPANY MEETINGS:
Finsbury Smaller Co's Trust, The Great Eastern Hotel, Liverpool Street, EC., 12.00
BOARD MEETINGS:
Finals:
BAT Inds.
Cadbury Schweppes
Cluff Res.
Cookson
Eidos
Fleming Mercantile Inv.
GKN
Medeva
Novo Nordisk
Rosebys
Standard Chartered
T & N
Vickers
Willis Corroon
Interims:
Everest Foods
Haggas (John)
Macklow (A & J)

■ THURSDAY MARCH 11
COMPANY MEETINGS:
Eurocamp, Cottons Hotel, Manchester Road, Knutsford, Cheshire, 2.30.
Lookers, Lancashire County Cricket Club, Talbot Road, Stretford, Manchester. 12.00.
BOARD MEETINGS:
Finals:
Abbeycrest
Assoc. Brit. Ports
BTR
Blagden Inds.
Christies Intl.
Clark (T.)
EFT
English & Scottish Inv.
Foreign & Colonial Inv.
Gardner (D.C.)
Kode Intl.
Manders
Pentland
RTZ
Refuge
Rolls-Royce
Sanderson M. Elder
Smith & Nephew
TI Group
Interims:
Bailey (Ben) Constrn.
Castle Comms.
Creston
Enterprise Oil
Lloyds Chemists
Logica
Pochins
Sirdar

■ FRIDAY MARCH 12
COMPANY MEETINGS:
Central Motor Auctions, Pontefract Road, Rothwell, Leeds, 12.00
French (Thomas), Sharston Road, Wythenshawe, Manchester, 12.00.
Princedale Group, 8, Baker Street, W., 12.00
Yorkshire-Tyne Tees TV, The Television Centre, Leeds, 12.00
BOARD MEETINGS:
Finals:
Church
Cussins Property
Forward Technology
Heywood Williams
ISA Intl.
Jones (A.)
Victaulic
Interims:
Bollon
Walker (Thomas)

Company meetings are annual general meetings unless otherwise stated.
Please note: Reports and accounts are not normally available until approximately six weeks after the board meeting to approve the preliminary results.

DIVIDEND & INTEREST PAYMENTS

■ TODAY
Bk. of Greece 10¼% Ln. 2010 £5.375
Bk. of Ireland Undated Variable Rate Nts. $1,203.13
Barclays O'seas. Inv. Gtd. Fltg. Rate Nts 2004 $125.69
BP Amer. 10% Gtd. Nts. 1996 £50J
Do. 12¼% Gtd. Nts. 1996 A$122.50
Brit. Gas Intl. Fin. 6¾% Gtd. Bds. 1997 $67.60
Clayhithe 0.75p
Colorvision 2.5p
Fuji Intl. Fin. (Aust.) Fltg/Fixed Rate Gtd. Bds. 2001 $541.02
Hardys & Hansons 5.1p
Hydro-Quebec 9% Debs. Series HT 2001 $450
Natl. Australia Bank Sub. Var. Rate Nts. 2000 £193.25
NatWest. Bank Var. Rate Capital Nts 2009 £186.47
Nationwide Bldg. Society 13⅞% Nts. 1994 £681.25
Do. Fltg. Rate Nts. 1995 £179.69
Redland Global Funding 12⅞% Gtd. Nts. 1994 A$1,287.50
Renold 7⅝% 2nd Deb. 1992/97 £3.8125
Rockwell Intl. $0.23
Sainsbury (J.) (Channel Islands) 8½% Cv. Cap. Bds. 2005 £212.50
3i Gtd. Fltg. Rate Nts. 1997 £187.96
Tolux $0.35
Yorkshire Water 7.05p

■ TOMORROW
Anheuser-Busch $0.32
Brasway 0.24p
Hampson Inds. 0.4p
Investors Cap. Tst. 1.275p
Local Authority Short-Dated Bds. 10⅞% £5.1562
Mazda Motor 5.45% 2000 Y143,819
Do. 5.5% 2001 Y145,139
Tenneco $0.40
Time Warner $0.07

■ WEDNESDAY MARCH 10
Aberdeen Tst. 0.5p
Albion 1.8p
Allied-Signal $0.29
Bromsgrove Inds. 1.65p
Chevron $0.875
Dun & Bradstreet $0.57
Exxon $0.72
Finsbury Smaller Co's. 2p
Fuji Bank Intl. Fin. Perp. Sub. Gtd. Fltg. Rate Nts. $11,218.75
General Motors $0.20
Houston Inds. $0.75
Intl. Business Machines Cap. Stk. $0.54
Kelsey Inds. 8p
Lilly (Eli) $0.605
Park Food 2p
Sun Alliance 10⅝% Nts. 1997 £106.25
Sun Co. $0.45
3i Intl. 5% Gtd. Nts. 1993 Y50,000
Travelers $0.40
Tweefontein Utd Collieries R2.23
UK 5½% Treas. 2008/20 £2.75
Utd. Technologies $0.45
Warner-Lambert $0.57

■ THURSDAY MARCH 11
Bk. of Ireland Undated Fltg. Rate Primary Cap. Nts. $96.88
Brit. Telecommunications 9½% Nts. 1993 £95
Carclo Engineering 1.8p
Chase Manhattan Fltg. Rate Sub. Nts. 2009 $131.25
Hongkong & Shanghai Banking Corp. Primary Cap. Undated Fltg. Rate Nts. $62.50
Lloyds Bank 10¼% Sub. Bds. 1998 £1,025
Woolwich Bldg. Society Fltg. Rate Nts. 1994 £178.77

■ FRIDAY MARCH 12
Abbey Natl. Treas. Servs. 8⅞% 1993 $88.75
Ellis & Everard 2.25p
Groolvlei Prop. Mines R0.25
Hong Kong Inv. Tst. 0.75p
Leeds Permanent Bldg. Society 7¼% 1993 Y725,000
M & G Recovery Inv. Inc. 1p
Do. Geared Units 1p
Do. Package Units 1p
Monsanto $0.58
Natl. Medical Enterprises $0.12
Sapporo Brews. Fltg. Rate Nts. 1997 Y985,417
Scottish Power 3.72p
Siemens Dm13
State Bk. of New South Wales 10¼% 2002 A$107.50
Stilfontein Gold Mining R0.30
Trans-Natal Coal R0.23
TR Smaller Co's Inv. Tst. 1.5p
Victorian Public Authorities Fin. Agency 11% Gtd. 2002 A$110

■ SATURDAY MARCH 13
Hydro-Quebec 12¼% Ln. 2015 £6.375

■ SUNDAY MARCH 14
Vodaphone ADR $0.581

CONFERENCES & EXHIBITIONS

MARCH 10
Rejuvenating A Mature Business
Professor Charles Baden-Fuller will discuss the strategies of successful rejuvenators. "Transforming The Organisation Mind" Robin Wood will examine how the mental model of managers contributes to organisational success.
Contact: London School of Economics.
Tel: 071 955 7968.
LONDON

MARCH 11
Foreign Exchange Differences
Afternoon seminar, analysing key aspects and implications of the new draft legislation issued by the Inland Revenue on 16 February. £80.
Contact: Michelle Beard, Ernst & Young.
Tel: 071 931 2297.
Fax: 071 242 5862.
LONDON

MARCH 15
Creating Opportunities – Ensuring Success
A one day conference for finance managers to explore career paths available in the NHS, with an emphasis on Equal Opportunities. Virginia Bottomley, Secretary of State for Health, will be the keynote speaker. To book a free place, contact: NHS Training Directorate.
Tel: 0272 291029 ext 3213.
LONDON

MARCH 15
Dow Jones Telerate Foreign Exchange Conference: 'New Horizons, New Risks'
An examination of the risks and opportunities represented by the emerging markets in Eastern Europe, Latin America and the Far East. A distinguished speaker list includes Lord Lawson, former Chancellor of the Exchequer.
Contact: Alison Elgar.
Tel: 071 832 9532.
LONDON

MARCH 15
EIS & External Information
This one day conference explores the potential of I.T. to radically improve the process of collecting, analysing and sharing external business information. How EIS and related systems can improve the quality, scope and relevance of this information.
Contact: Business Intelligence.
Tel: 081 544 1830.
Fax: 081 544 9020.
LONDON

MARCH 16
Financing Growth
An evening forum discussing the debt and equity options available for family businesses. It will cover: financing increased working capital requirements; how to attract external funding but still retain control and the options available when shares need to be bought in.
Contact: Diane Deacon, Stoy Centre for Family Business.
Tel: 071 486 5888.
LONDON

MARCH 16–18
The NEC Marketing Show
The definitive Marketing Event allowing marketing professionals to view the diversity of products and services which combine to make up the total marketing mix.
Enquiries: John Parry, Centre Exhibitions.
Tel: 021 780 4141 ext 2604.
BIRMINGHAM

MARCH 17
Budget Briefing
Afternoon briefing, where Ernst & Young senior partners will provide leading insight into the Chancellor's Budget and potential implications for UK businesses.
Contact: Becky Brown, Ernst & Young.
Tel: 071 931 4554.
Fax: 071 928 4782.
LONDON

MARCH 18
Business Process Management: Company Transformation Through Re-Engineering Business Processes
CBI/Develin & Partners Conference, chaired by Brian Redhead. Speakers will be outlining the approaches that worked for them so each delegate can choose those elements they can apply to their own specific business situations.
Contact: Karen Action, CBI Conferences.
Tel: 071 379 7400. Fax: 071 497 3646.
LONDON

MARCH 18
Pitching For Business
In a competitive business environment more companies are selecting suppliers through a formal tendering process. This Institute of Directors 1/2 day seminar will discuss the principles of best practice at each stage of the tender.
Enquiries: Director Conferences.
Tel: 071 730 0022.
LONDON

MARCH 19
From Strategy To Action: Seminar For The Financial Services Sector
HR implications of sector changes and strategic responses for personnel/training directors. Organised by CILNTEC. Venue: The Guildhall. £50.00 + VAT.
Contact: Wendy Farr, AIMM Conferences.
Tel: 0462 675600. Fax: 0462 480187.
LONDON

MARCH 22
Survive! Business Continuity Conference
As events in New York have shown, disaster can strike your business any time. Learn from Clydesdale Bank, Department of Economic Development, Grand Met and others who have planned for, and survived, disaster.
Contact: Kate Hill, Survive!
Tel: 081 871 2546. Fax: 081 871 3866.
LONDON

MARCH 23–24
Castings & Forgings '93 Exhibition & Conference
The only specialist show for buyers and specifiers of cast and forged products. St Johns Swallow Hotel, Solihull, West Midlands. For free admission tickets contact: Lorraine Rogers, FMJ International Publications Ltd.
Tel: 0737 768611.
Fax: 0737 761685.
SOLIHULL

MARCH 24
Key Legal & Commercial Issues: The UK Oil Industry In The 1990s
This UK Oil Lawyers Group and Institute of Petroleum conference will cover legal and commerical issues on Safety and the Environment, Shared Use of Facilities and Abandonment.
Contact: Caroline Litte.
Tel: 071 636 1004.
Fax: 071 255 1472.
LONDON

MARCH 24 & 31
NeuroData Club – DTI Supported
Seminars to introduce potential members to NeuroData. This technology transfer club will demonstrate the practical benefits of applying neural computing to identify hidden trends and patterns in an organisation's data.
Contact: Walton Teasdale.
Tel: 071 637 9111.
ASTON & LONDON

MARCH 24
The Future Catering Market For Meat
A conference for the people who wield influence over eating out trends. Speakers from the UK and USA will give an overview of the current market and trade patterns for future developments in the catering world, specifically connected with meat.
Contact: Allison Hughes, MLC.
Tel: 0908 677577.
Fax: 0908 609221.
LONDON

MARCH 24–26
The Second World Coal Institute Conference: Coal For Development
Major international event for coal producing and using industry worldwide: financial, legal, environmental issues; coal technologies; importance of coal to economic development.
Contact: The Event Organisation Company.
Tel: 071 228 8034.
LONDON

MARCH 25
Developing An I.T. Strategy For Marketing
This one day conference shows how to develop a coordinated strategy to transform the effectiveness of sales and marketing through the use of I.T. It explores practical management issues which need to be resolved in order that companies can make a creative use of systems.
Contact: Business Intelligence.
Tel: 081 544 1830.
Fax: 081 544 9020.
LONDON

MARCH 30
Strategic Alliances Conference
Alliances are back on the European agenda, but the risks are formidable. You must have clear objectives, find the right partner and invest time in managing the relationship. Cases from Mercury, DHL, Olivetti, Rover and United Distillers.
Contact: Acquisitions Monthly.
Tel: 071 823 8740. Fax: 071 581 4331.
LONDON

MARCH 30–31
Management Tools & The Project Support Office
Based on the recent survey of project planning and support tools, this seminar provides detailed information and practical advice on the effective approach to managing IT projects through the Project Support Office.
Contact: Unicom.
Tel: 0895 256484. Fax: 0895 813095.
LONDON

MARCH 30–31
Managing Relocation
Through a highly informative and thought-provoking programme, this national two-day conference will examine a wide range of domestic and international relocation issues.
Contact: Natalie Munden, CBI Conferences.
Tel: 071 397 7400.
TELFORD

MARCH 30–31
USA Catalogue Exhibition
American companies seeking distributors, agents, licensees and end-users in the UK and/or Common Market. Exhibition of catalogues and videos at the Royal Lancaster Hotel, London. Hours 10–5. Present business card for free entry and enquiry processing. For your personal invitation: Fax: (USA) 1 404 578 8787.
LONDON

MARCH 30–31
Using EDI For Business Success In The 1990's
The speakers in this seminar present user case studies demonstrating that major companies are realising the full benefit of EDI. Building on the experience of these organisations, this seminar offers a practical guide to EDI exploitation.
Contact: Unicom.
Tel: 0895 256484. Fax: 0895 813095.
LONDON

MARCH 31 – APRIL 1
Introduction To Bonds & Bond Futures Course – Parts 1 & 2
Day 1: Market Structures, Trading Techniques Using Yield, Duration & Convexity. Day 2: Bond Futures Explained; Speculation, Hedging & Arbitrage Strategies using Futures & Cash Bonds. Venue: Cambridge Science Park, Cambridge. £345 (1 day only), £595 (both days).
Contact: Kathy Page, Brady Financial Seminars. Tel: (0223) 423250.
CAMBRIDGE

MARCH 31 – APRIL 2
Emerging Markets/Restructuring The Energy Industries Of East Europe & The Former USSR
Eighth Annual PlanEcon, DRI/McGraw-Hill conferences with economic ministers from the region, fund managers, oil executives, and noted experts.
Contact: Corinne Redonnet.
Tel: 081 545 6212.
LONDON

APRIL 2
Access To Environmental Information
Major international conference on Directive 90/313/EEC organised by Friends of the Earth with European Commission support. Focus on practical implementation into national law. Speakers from the UK and elsewhere in Europe include lawyers, regulators, representatives from industry and Friends of the Earth.
Enquiries: Sibylle Grohs.
Tel: 071 490 1555. Fax: 071 251 0818.
LONDON

APRIL 2
EC Funded Research & Technological Development (14.7 Billion ECU Available)
A major one day international conference looking at the EC's new Framework programme for European transnational research and technological development. Speakers from the European Commission, Cabinet Office and industry. £90 + VAT.
Tel: 0203 838726.
Fax: 0203 221396.
COVENTRY

APRIL 5 – MAY 24
FT City Course
The course is designed for employees of companies with interests in the City. Its objectives are to provide a broader understanding of all aspects of the operations of the City and the factors that make it a pre-eminent financial and trading centre.
Enquiries: Financial Times.
Tel: 071 814 9770. Fax: 071 873 3975/3969.
LONDON

APRIL 7 & 8
Life-Long Learning
Delegates from Industry, Education and Government will consider human resource utilisation and develop recommendations for enhancement of national industrial base and competitiveness. Speakers include Sir Geoffrey Holland, Sir John Fairclough, Sir Christopher Ball and Sir Brian Wolfson. £250 + VAT – Residential.
Contact: Stan Draper.
Tel: 0703 553404. Fax: 0703 672714.
SOUTHAMPTON

APRIL 21
Learning To Grow Again
Sir Roland Smith is keynote speaker. The conference examines crucial elements in lifting businesses out of survival into growth. Aimed at Chief Executives and advisers, dealing with determinants of growth and need for better performance.
Enquiries: GMS. Tel: 0582 666970.
LUTON

APRIL 22
European & American Quality Awards
Hear from major European organisations on how to assess business effectiveness by using the measurement processes of the European Quality Award and the USA's Malcolm Baldrige National Quality Award. Participants include executives from BT, Royal Mail, Ciba Geigy, Rank Xerox, Philips, EFQM, MBNQA and Bristol Quality Centre.
Tel: 0272 763932. Fax: 0272 585116.
LONDON

APRIL 22
Society Of Technical Analysts 1993 Conference
Views and expert methods from an international field of technical analysts. An exhibition demonstrating the latest analytical computer systems.
Contact: The Membership Secretary.
Tel: (0223) 356251.
Fax: (0223) 329806.
LONDON

APRIL 22–23
Implementing The EC Public Procurement Directives
A conference examining legal enforcement of the Directives and the penalties for failure to comply. Also offering information on the future of procurement policy in the EC. Speakers from Treasury, European Commission, private companies and lawyers.
Enquiries: Contracts and Procurement Research Unit.
Tel: 021 414 3221. Fax: 021 414 3217.
BIRMINGHAM

APRIL 25–27
European Enterprise Computing Conference
Sponsored by Apple Computer Europe. A major international conference designed to provide IT professionals with a framework for building information systems in the '90s and beyond. Speakers from Apple, Oracle, Lotus and Gartner Group discuss client/server computing, IT costs/benefits and systems integration.
Contact: The Event Organisation Company.
Tel: 071 228 8034. Fax: 071 924 1790.
LONDON

APRIL 26
Downsizing IT: The Management Issues
This one day conference looks beyond the technical aspects of moving from mainframe to micros to the organisational, managerial and effectiveness dimensions of successful downsizing.
Contact: Business Intelligence.
Tel: 081 544 1830. Fax: 081 544 9020.
LONDON

APRIL 27–29
The Commercial Dimensions Of Parallel Computing
This seminar reviews the state-of-the-art in High Performance Computing. Top European and US speakers from industry and academia discuss: parallel software strategies; tools for profiling, monitoring and visualisation; business applications (with major case studies).
Contact: Unicom.
Tel: 0895 256484. Fax: 0895 813095.
LONDON

APRIL 28
Franchising Network Services – Regulation In Post, Rail & Water
CRI conference, franchising approaches for post, rail and Scottish water are reviewed for effectiveness, including international experience and legal aspects of regulation. Delegate discussion time included.
Contact: Leigh Sykes, CRI.
Tel: 071 895 8823.
LONDON

APRIL 28 & 29
Financial Innovation – New Directions For The 90s
This high-level forum will review developments in financial innovation in a period of low growth and low inflation and consider future trends.
Enquiries: Financial Times.
Tel: 071 814 9770.
Fax: 071 873 3975/3969.
LONDON

APRIL 29 & 30
The Influential Accountant
Scandic Crown Hotel, Victoria, London. An intensive workshop for all accountants and other managers wanting to improve their practical persuasion and assertiveness skills.
Contact: Evanna Morris, CIMA Mastercourses.
Tel: 071 637 2311. Fax: 071 580 6991.
LONDON

MAY 5–6
Know Your Competitors: Competitor Intelligence & Analysis inc. Benchmarking
A practical two day seminar/workshop from the UK's No. 1 specialists. Practical case exercises, successful case studies. Guest speaker who is head of a major company's intelligence unit.
Contact: Patricia Donnard, SMP Intelligence Service.
Tel: 071 487 5665. Fax: 071 935 1640.
LONDON

MAY 10 & 11
European Securities Markets
The implementation of the EC's Capital Adequacy and Investment Services directives, the future structure of European equity and bond markets, the needs of international companies in raising equity and debt finance will be discussed.
Enquiries: Financial Times.
Tel: 071 814 9770.
Fax: 071 873 3975/3969.
LONDON

MAY 10–11
Promoting IT & Business Partnership
This two day conference explores the approaches to achieving partnership between IT and the business, including changes in working practices, IT organisation and the development of managers with balanced 'hybrid' skills.
Contact: Business Intelligence.
Tel: 081 544 1830. Fax: 081 544 9020.
LONDON

MAY 12
Tax & Accounting Treatment Of Currency Transactions
A complete update on the radical new legislation affecting equitable taxation of foreign exchange gains and losses. Speakers include: Stephen Edge and Iain Abrahams of Slaughter & May; Eric Tomsett, Touche Ross; and Emma Lubbock of Price Waterhouse.
Contact: Sarah Avian, IBC Legal Studies and Services Ltd.
Tel: 071 637 4383. Fax: 071 631 3214.
LONDON

MAY 20–21
Pension Practice & Employment Law
An explanation for the businessman of:- monitoring pension funds, equalisation of pension ages, Goode Committee, EC directives, sexual harassment, maternity policies, and employee benefits.
Contact: Caroline Carter, Euromoney.
Tel: 071 779 8793. Fax: 071 779 8795.
LONDON

MAY 24–25
Oil & Gas Transport & Security In The Former USSR
A detailed assessment of the structure, control, economics and politics of the FSU's energy transportation infrastructure (pipelines, railways, waterways, roads). Co-hosted by Transneft, Gazprom, and the Kazakh Ministries of Fuel-Energy and of Transport.
Contact: Europe Energy Environment.
Tel: 071 493 4918. Fax: 071 355 1415.
LONDON

JUNE 9
The Healthcare Industry – The Leasing Potential
Competing for funds; industry developments; legal issues; supplier perspectives; leasing as a financial tool.
Contact: Caroline Carter, Euromoney.
Tel: 071 779 8793. Fax: 071 779 8795.
LONDON

JUNE 16 & 17
Public Sector Outsourcing Forum
An opportunity for executives responsible for Public Sector procurement, Market Testing, and competitive tendering to assess capabilities of Private Sector suppliers of support services.
Contact: Kenneth Trench, Magnet Events.
Tel: 081 763 1230. Fax: 081 763 1225
LONDON

INTERNATIONAL

MARCH – MAY 2
Karl Sims, Thinking Machines Corporation Present "Evolving Images"
Exhibit attendees at Centre Pompidou view abstract images on 16 video screens and are asked to stand in front of images they find most interesting. Preferences are registered by the supercomputer which generates images that are more and more aesthetically interesting.
Contact: Martine Moinot, Centre Pompidou.
Tel: 33 1 42 77 12 33.
PARIS

MARCH 11
EC Romania Business Forum
Up-to-date intelligence on industrial and commercial opportunities in Romania for EC companies. Top speakers from Romanian Government and Ministries, EC Commission and EC industry. Organised by EC Commission.
Contact: Société Générale de Développement SA.
Tel: +32 2 512 4636.
Fax: +32 2 512 4653.
BRUSSELS

MARCH 16–18
International Gaming Business Exposition (IGBE) Europa '93
IGBE Europa '93 is the only major European exhibition exclusively for the casino gaming industry. IGBE Europa showcases all major products and services of importance to the casino. Special events will be held.
Contact: Eileen B. Baird.
Phone: (USA) (203) 852 0500 ext. 107.
Fax: (USA) (203) 838 3710.
MONACO

MARCH 25 & 26
Survive! Business Continuity & Disaster Recovery Conference
As recent events in New York have shown, disaster can strike your business any time. Learn from local and international experts the critical issues of business continuity.
Contact: Annie Chan.
Tel: + 852 881 0838. Fax: + 852 881 0338.
HONG KONG

MARCH 29–31
The Economic Impact Of Airports
In-depth analysis of how airports act as positive instruments of economic growth and their contribution towards regional development in terms of jobs and wealth creation. Airport leaders and experts discuss the key issues of economic impact measurement and launch a new Economic Impact Study Kit.
Contact: Mrs Martine Susini, ACI Europe.
Tel: +32 2 513 0866. Fax: +32 2 513 2606.
MUNICH

APRIL 27–28
Telecommunications Development & Liberalisation In Eastern Europe & The FSU
A conference providing companies with practical information on the organisational structure and investment opportunities in the telecomms industry – Ministers and decision-makers from Eastern Europe and the FSU discuss with senior western experts.
Contact: Cristina Watts, Adam Smith Institute.
Tel: 071 490 3774. Fax: 071 490 2296.
BUDAPEST

APRIL 28–29
Black Sea Oil & Gas: Emerging Opportunities
The first public international forum on the Central Asian and South-East European oil and gas industries, with senior delegations from the entire region. Hosted by Marmara Bank and Europe Energy Environment.
Contact: Europe Energy Environment.
Tel: 071 493 4918. Fax: 071 355 1415
ISTANBUL

MAY 12
Wargames!
Participate in a 1-day Business Wargaming seminar and workshop. Learn how to improve your probability of "strategic win". Mini-wargame exercise and 50-page Business Wargaming Guide included. For managers in Business Development, Competitive Intelligence, Marketing, and Planning. In-house events arranged.
Contact: IIB SA. Tel: +41 22 362 77 67.
Fax: +41 22 362 77 92.
DÜSSELDORF

MAY 25–26
International Consumer Credit Congress
An opportunity for those involved in the management and marketing of consumer credit to be brought up to date with the latest techniques. Speakers from all sections of the industry explain the case for integrated risk management throughout the credit cycle.
Contact: Pat Walsh, CCN Group.
Tel: 0602 410888. Fax: 0602 474382.
LAUSANNE

BANK OF TOKYO GROUP

THE BANK OF TOKYO GROUP continues to provide our clients with a range of high quality services in the field of Corporate Finance on a global basis. Our goal is to gain the confidence of our clients and to build up and maintain a lasting business partnership. Integrity in all our transactions is our highest priority.

Shown below are examples of transactions the Bank of Tokyo Group has carried out on behalf of clients. For more detailed information about our range of services, please contact any of the Bank of Tokyo Group offices listed below.

GLOBAL CORPORATE FINANCE IN 1992

M & A

YAMATO SCALE CO., LTD.
and
LOCK INTERNATIONAL PLC.
have formed a joint venture

The undersigned acted as
Financial Advisor to
Yamato Scale Co., Ltd.

The Bank of Tokyo, Ltd.

YAMAHA CORP.
has acquired
HAGAN SKIFABRIK GMBH

The undersigned acted as
Financial Advisor to
Yamaha Corp.

The Bank of Tokyo, Ltd.

Management buy-out of
EXPRESS FOODS
from
GRAND METROPOLITAN PLC.

The undersigned acted as
Financial Advisor to
Management of Express Foods

Bank of Tokyo International Limited

MMC HARTMETALL GMBH
has acquired
exclusive sales rights from
FABOR S.A.

The undersigned acted as
Financial Advisor to
MMC Hartmetall GmbH

Banque Européenne de Tokyo S.A.

THK CO., LTD.
has acquired
PGM BALLSCREWS LIMITED

The undersigned acted as
Financial Advisors to
THK Co., Ltd.

The Bank of Tokyo, Ltd.

PIONEER LDC, INC.
through its subsidiary
has acquired
BEST & ORIGINAL
PRODUCTION LTD.

The undersigned acted as
Financial Advisor to
Pioneer LDC, Inc.

The Bank of Tokyo, Ltd.

KANEBO, LIMITED
has acquired from
SAMMONTANA S.R.L.
the manufacturing and distribution
rights in Japan under the
Sammontana trademarks

The undersigned acted as
Financial Advisor to
Kanebo, Limited

The Bank of Tokyo, Ltd.

CHUO SPRING CO., LTD.
has increased and acquired
controlling shares in
ACK CONTROLS INC.

The undersigned acted as
Financial Advisors to
Chuo Spring Co., Ltd.

The Bank of Tokyo, Ltd.
The Bank of Tokyo Trust Company

KOTOBUKI CORPORATION
has acquired
AUDIENCE SYSTEMS LTD.

The undersigned acted as
Financial Advisor to
Kotobuki Corporation

The Bank of Tokyo, Ltd.

TOHO PHARMACEUTICAL
CO., LTD.
has subscribed to preferred stocks
of and entered into distribution
agreement with
BIO SURFACE TECHNOLOGY INC.

The undersigned acted as
Financial Advisors to
Toho Pharmaceutical Co., Ltd.

The Bank of Tokyo, Ltd.
The Bank of Tokyo Trust Company

INTERNATIONAL LEASE

U.K. EQUIPMENT LEASE
of
ND MARSTON LTD.

The Bank of Tokyo, Ltd.
acted as
Financial Advisor to
Nippondenso Co., Ltd.

U.K. EQUIPMENT LEASE
of
ASAHI TRIEFUS PLC.
(Subsidiary of
ASAHI DIAMOND INDUSTRIAL
CO., LTD.)

Arranged by
Bank of Tokyo International Limited

U.K. EQUIPMENT LEASE
of
INTERNATIONAL
CATERING LTD.
(Subsidiary of
JAPAN AIRLINES CO., LTD.)

Arranged by
Bank of Tokyo International Limited

U.S. EQUIPMENT LEASE
of
CHUSEI U.S.A., INC.
(Subsidiary of
CHUSEI OIL CO., LTD.)

Arranged by
BOT Financial Corporation

U.S. EQUIPMENT LEASE
of
YOTEC, INC.
(Subsidiary of
YAMADA SEISAKUSHO CO., LTD.)

Arranged by
BOT Financial Corporation

AIRCRAFT LEASING

ALL NIPPON AIRWAYS CO., LTD.

Boeing 767-300 Aircraft
Japanese Leveraged Lease

Arranged by
BOT Lease Co., Ltd.
and other leasing companies

BRITISH AIRWAYS PLC.

Boeing 747-400 Aircraft
Japanese Leveraged Lease

Arranged by
BOT Lease Co., Ltd.
and other leasing companies

MALAYSIAN AIRLINE
SYSTEM BERHAD

Boeing 737-400 Aircraft
Japanese Leveraged Lease

Arranged by
BOT Lease Co., Ltd.
BOT International (H.K.) Limited

KLM
ROYAL DUTCH AIRLINES

Boeing 747-400 combi Aircraft
Ownership
Foreign Sales Corporation Lease

Equity Arranged by
BOT Financial Corporation

QANTAS AIRWAYS LIMITED

Two Boeing 747-438 Aircraft
Australian Leveraged Lease

Arranged by
Meridian International Capital Limited

Term Loan & Letter of Credit Arranged by
Bank of Tokyo Australia Ltd.

ALASKA AIRLINES, INC.

Four MD-83 Aircraft
U.S. Leveraged Lease

Lessors
Union Bank & others

Equity Arranged by
BOT Financial Corporation

UNITED AIRLINES, INC.

Two Boeing 737-500 Aircraft
U.S. Leveraged Lease

Lessors
Union Bank & other

Equity Arranged by
BOT Financial Corporation

ASSET BASED AND STRUCTURED FINANCING

PETROLEOS MEXICANO
(PEMEX)

Syndicated Credit Facility

Supported by MITI
investment insurance overseas

Funds provided by
The Bank of Tokyo, Ltd.
and other Japanese banks.

Arranged by
The Bank of Tokyo, Ltd.

EAGLE POINT COGENERATION
PARTNERSHIP

U.S.A.

The Coastal Corporation
Public Service Enterprise Group, Inc.

The Bank of Tokyo Trust Company
acted as
Co-Agent and Swap Co-Provider

BELVIEU ENVIRONMENTAL
FUELS

U.S.A.

Sun Company, INC.
Mitchel Energy & Development Corp.
Enterprise Products Company

The Bank of Tokyo Trust Company
acted as
Co-Agent

INDECK-OLEAN

U.S.A.

Indeck Energy

BOT Financial Corporation
acted as
Co-Agent

OYSTER CREEK

U.S.A.

Destec Energy, Inc.
Transco Energy, Inc.

Union Bank
acted as
Agent

COSCO-HIT TERMINAL

Hong Kong

COSCO
Hong Kong Int'l Terminals Ltd.

The Bank of Tokyo, Ltd.
acted as
Lead Manager

TANABE CORPORATION/
FURRY CREEK PROJECT

Canada

The Bank of Tokyo Canada
acted as
Arranger

CONSULTING SERVICES

ERDENET MINE
MODERNIZATION AND
DEVELOPMENT PROGRAM
(JICA MISSION)

Mongolia

The Bank of Tokyo, Ltd.
acted as
Financial Advisor

INDONESIA/TELEPHONE
EXPANSION PROJECT
(REPELITA IV)

Indonesia

NTT
Salim Group

The Bank of Tokyo, Ltd.
acted as
Financial Advisor

GEOTHERMAL
POWER PLANT PROJECT
AT LEYTE

Philippines

Kanematsu Corporation

The Bank of Tokyo, Ltd.
acted as
Financial Advisor

DALIAN INDUSTRIAL
PARK PROJECT

China
The first project developed by
Japanese-Chinese Official
and Private Sectors

The Bank of Tokyo, Ltd.
acted as
Promotor, Investor,
Financier and Agent

EAST JAKARTA INDUSTRIAL
PARK PROJECT

Indonesia

The first project developed by
Japanese-Indonesian Private Sector

The Bank of Tokyo, Ltd.
acted as
Promotor, Investor and Financier

TOURISM ADVISOR

Malaysia

Malaysia Tourism
Promotion Board

The Bank of Tokyo, Ltd.
acted as
Advisor

PROMOTION OF FOREIGN
INVESTMENT
IN CHIBA PREFECTURE

Chiba Prefecture

The Bank of Tokyo, Ltd.
acted as
Advisor

HOKKAIDO SUMMIT
FOR THE VIPS OF
THE FOREIGN-AFFILIATED
COMPANIES

Hokkaido Government/
The Committee for the Promotion
of Investment in Hokkaido

The Bank of Tokyo, Ltd.
acted as
Advisor

KYUSHU INTERNATIONAL
INVESTMENT MEETING 1992

The Kyushu Industrial
Location Promotion Council

The Bank of Tokyo, Ltd.
acted as
Advisor

STUDY OF THE ENVIRONMENT
IMPROVEMENT PROJECT IN
REPUBLIC OF HUNGARY

Undertaken by
The Overseas Economic
Cooperation Fund (OECF)

The Bank of Tokyo, Ltd.
participated as
Financial Economist

YOROZU CORPORATION
HAS ESTABLISHED
YOROZU MEXICANA S.A.

In conjunction with
NAFTA

The Bank of Tokyo, Ltd.
acted as
Financial Advisor

- **Tokyo**
  The Bank of Tokyo, Ltd. Head Office
  Corporate Advisory Division (03) 3245-9449
  Project Finance Division (03) 3245-9685
- **Osaka**
  The Bank of Tokyo, Ltd. Osaka Office
  Financial Advisory Department (06) 201-9015
- **London**
  The Bank of Tokyo, Ltd.
  Financial Services Department (071) 216-1050
  Bank of Tokyo International Limited
  Special Finance Division (071) 628-8111
- **Paris**
  The Bank of Tokyo, Ltd. (1) 42-61-58-33
  Banque Européenne de Tokyo S.A. (1) 49-26-49-92
- **Düsseldorf**
  The Bank of Tokyo, Ltd.
  Financial Services Department (211) 36670
- **Madrid**
  The Bank of Tokyo, Ltd. (1) 435-2536
- **Milano**
  The Bank of Tokyo, Ltd. (02) 669931
- **New York**
  The Bank of Tokyo Trust Company
  Financial Services Department (212) 766-3111
- **Boston**
  BOT Financial Corporation (617) 345-5618
- **Los Angeles**
  Union Bank (Bank of Tokyo Group)
  International Advisory Department (213) 236-5685
- **Toronto**
  The Bank of Tokyo Canada (416) 865-0220
- **Hong Kong**
  The Bank of Tokyo, Ltd. 862-7888
- **Singapore**
  The Bank of Tokyo, Ltd. 2208111
- **Sydney**
  Bank of Tokyo Australia Ltd. (2) 255-1111

CONSTRUCTION CONTRACTS

Upgrading housing in Essex

UNITED HOUSE in Swanley has been awarded a £6m design and build housebuilding and improvement contract jointly from Basildon District Council and the New Islington and Hackney Housing Association - to completely modernise, upgrade and extend the Crudens Estate at Pitsea in Essex.

The work includes the design and construction of 64 houses, bungalows and flats (£2.3m), the refurbishment of 351 houses and flats including roofs, external walls and landscaping (£2.5m) and new infrastructure (£1.2m).

Restoration plan

The contract for Stage II of the safeguarding works taking place at St Pancras Chambers has been awarded to the London-based company **WATES SPECIAL WORKS**. The contract is worth £8m.

The work exclusively concerns the exterior of the building; replacing the existing slates with green slates (like the Victorian originals); restoring masonry, balconies, balustrades and the clock; providing a full exterior clean of the building; and repairing the statue of Britannia for return to her plinth 130 ft up overlooking King's Cross station.

Stage I of the safeguarding works commenced in May 1992.

Headquarters

A design and build contract, worth £7m, has been placed with Portsmouth-based **WARINGS CONTRACTORS** for an 80,000 sq ft office complex which will become the new headquarters for the integrated staffs of the Second Sea Lord and the Commander in Chief Naval Home Command (CINCNAVHOME).

Social housing

HALL & TAWSE PARTNERSHIP, part of Raine, has been selected to design and build at least half of the Kent Housing Partnership volume housebuilding programme of 2,300 dwellings in the next three years.

Hall & Tawse Partnership expect to start work on 1,000 houses by the end of the year.

Holiday village development

Center Parcs, based in Newark, has awarded the first major contract in the construction programme of its new holiday village at Longleat to G PEARCE & SONS of Devizes.

The contract, worth some £12m, is for the infrastructure works for the village and follows work by the company on the new roundabout and entrance into the village.

The artist's impression (above) shows the proposed swimming facilities.

Improving water quality in Middlesex

ANGLIAN H&G (AH&G) has been awarded a £15m contract by Thames Water for a 25 tonnes per day granular activated carbon (GAC) reactivation plant to be built at Kempton Park, Middlesex. The scope of work includes design, procurement, construction and commissioning.

The design has already started and the plant is scheduled to come into production early in 1995. GAC is being used increasingly by the water industry to improve the quality of drinking water in order to conform to EC directives. It is particularly effective at removing herbicides and pesticides whilst also improving the taste and odour of water.

The energy efficiency of Anglian H&G's reactivation process has been optimised and raises internally all the steam required for the process. The company is building an additional eight plants in the UK for the removal of pesticides from water.

Anglian H&G is a 50/50 joint venture between Anglian Water and H&G Process Contracting, part of the Jacobs Engineering Group.

Wastewater treatment plant in Macau

A consortium led by **WATER ENGINEERING (HK)**, part of the North West Water Group, has signed a £15m contract to design, build and operate a wastewater treatment plant in Macau, on the southern tip of China. Water Engineering and its Portuguese partners, Teixeira Duarte and Soares Da Costa overcame opposition from UK and French contractors with a compact and efficient process design.

The plant, which will treat both domestic and industrial wastewater, wilt take two years to construct, followed by an operation contract of three years.

The plant, sited in a densely populated area, will be virtually enclosed and screened from the public with access to parking facilities on top.

Considerable attention has been given to noise abatement and odour control.

Macau, a one-hour jetfoil trip from Hong Kong, is a Portuguese territory destined to revert to Chinese rule at the end of 1999.

Harnessing the wind at Kirkby-in-Furness

A £5m contract to install 12 400kW wind turbines at the new Kirkby Moor wind farm in Cumbria has been won by **TAYLOR WOODROW CONSTRUCTION NORTHERN.**

With a total capacity of 4.8MW, the wind farm at Kirkby-in-Furness will supply electricity for the equivalent of 4,500 homes.

The wind farm project, a joint venture between National Power, South Wales Electricity and Taylor Woodrow Construction Holdings, removes the need to emit 12,000 tonnes of carbon dioxide a year in burning fossil fuels.

The turnkey construction contract for the Kirkby Moor wind farm company includes civil works and installation of electrical equipment.

PEOPLE

ICI split makes waves

When a company like ICI, Britain's biggest manufacturer, splits itself in two, the shock waves are felt well beyond the boardrooms of Ronnie Hampel's slimmed down ICI and David Barnes' Zeneca.

It is easy to spot the winners at board level. Alan Pink (above left) 54-year-old chief executive of ICI's agrochemicals and seeds business, for example, has gone on to the Zeneca board. He is the only one of the eight chief executives of ICI's traditional core businesses to get a directorship as a result of the demerger.

Rob Margetts, 46, who had been chief executive of ICI's Tioxide business until six months ago, had already got a main board seat. But given that the rest of his colleagues are in their late fifties, he would seem a front-runner to take over from Ronnie Hampel who is little more than a year away from ICI's normal retirement age of 62.

Three of ICI's four general managers are staying with the old firm – Victor White, 56, group solicitor; Alan Spall, 48, finance; and Trevor Harrison, 53, planning. However, ICI personnel boss Hugh Donaldson, 51, joins Zeneca as general manager of corporate resources, along with Norman Lyle, 45, finance; and Graeme Musker, 40, secretary.

Michael Deeley, chairman of the separately quoted ICI Australia, keeps the same job unlike most of ICI's other regional chairmen around the globe. ICI Europe has been disbanded and its chairman, David Benyon, retired last September. Ben Lochtenberg remains chairman of ICI America but is close to retirement. Meanwhile, Keith Willard, president of ICI Canada, has been appointed chairman of Zeneca in North America.

Paul Schindler, the Frenchman who was ICI's chairman of Asia Pacific, has been made chairman of ICI (China) and Dr S Lui has been appointed chairman of Zeneca in China. He takes on additional regional responsibilities from August.

Finally, there are still some non-executive directorships to fill. Gill Lewis (above right) 48, Nestlés head of personnel, has just been appointed to the Zeneca board, but the old ICI needs to recruit at least one more non-executive director if it wants to maintain its traditional balance between execs and non-execs.

Taylor Woodrow recast

Taylor Woodrow appears to have completed its senior management reshuffle with the promotion of 46-year-old Brian Abrahams, currently responsible for group trading activities and managing director of Greenham Trading, onto the board. In turn, George Borwell, 66, chairman of Greenham Trading, will retire from the board at the May agm.

When Colin Parsons took over as chairman of the big UK construction company a year ago, he admitted that even he, as an operating director, sometimes had difficulty in understanding the structure of the board, which at the time was top-heavy and generally opaque. Since then, six directors have left, and four new ones, including Abrahams, have been appointed.

A Taylor Woodrow man from the age of 16, when he joined as a junior in the buying office, Abrahams has concentrated on the sales and marketing side. As Borwell's protégé, he pushed forward with the expansion of Greenham Trading, which has a product range from contractors' tools to leisurewear and which is one of the few businesses within the group that has continued to improve its performance through the recession. Borwell, one of the doyens of Greenham Trading, may be asked by the subsidiary board to become its non-executive chairman. Taylor Woodrow reports its full year results on March 30.

Co-heads for Salomon

Salomon Brothers has replaced Bill Strong, the head of international investment banking who left unexpectedly in January, with two members of its existing London senior management.

However, Charles McVeigh, 50, chairman of Salomon Brothers International, and David Jarvis, 51, managing director and head of investment banking for European financial institutions, assume responsibility solely for European investment banking, whereas the rest of international will revert to Richard Barrett and Leo Higdon who run investment banking worldwide from New York. Strong had recently been promoted from head of the European side, but Salomon says the newly created job had been tailored specifically for Strong and that he had not been doing it long enough to establish the structure.

Jarvis adds that the co-head arrangement has become increasingly popular at the bank – "that way we can be in London and out with the client at the same time". He contends that Strong spent most of his time on "internal organisation. He was not a client man." McVeigh and Jarvis have known each other for 20 years and the latter says that it will not be a case of dividing up the turf as they will be "pretty much substitutable".

McVeigh has been at Salomon since 1971, but Jarvis only joined six years ago; he had been vice chairman and chief financial officer of Norwest Corporation.

■ **Peter Johnson**, who is responsible for FISONS' pharmaceutical division's R&D, and **Michael Redmond**, formerly md of pharmaceutical marketing operations and now md of the pharmaceutical division, have been appointed to the board.

■ **Peter Spinney** has been appointed director of personnel at BRITISH GAS's UK Gas Business.

■ **John Nicolson**, previously marketing director of Birds Eye Wall's, part of Unilever, has been appointed group executive director – marketing of COURAGE; his responsibilities will include such brands as Foster's, John Smith's, Kronenbourg, Miller, Pilsner and Beamish.

■ **David Spencer** is promoted to corporate director of human resources at SMITHS INDUSTRIES on the retirement in May of Gil Jones.

■ **Rainer Hermann**, previously md of Kablo Bratislava, part of Siemens, has been appointed md of the Berlin-based KWO Group, which BICC Cables bought last year.

■ **John Lloyd**, finance and corporate development director, is to be appointed group md of PORTALS GROUP as from the agm in May. **Michael Morley**, who is recovering from a recent illness, is taking early retirement as chief executive but will remain deputy chairman.

■ **Brian Stacey**, commercial director of AVON RUBBER, is retiring at the end of this month. **John Harper** then becomes chairman of Avon Inflatables, **Steve Willcox** chairman of Avon S&H and Avon-Clevite; **Chris Martin** chairman of the Wiltshire Manpower Group.

■ **Geoff Hunter** has been promoted to finance director and company secretary of PECHINEY Packaging Food & General Line.

■ **Claire Harbour** has been appointed general manager of LOUIS VUITTON UK; she moves from the Swire Group in the Far East.

■ **Mike Todman**, formerly finance director with Wang Laboratories, has been appointed finance director of WHIRLPOOL UK.

Architecture/**Colin Amery**

Proud to be Paris

Any Londoner must envy Paris. It is a capital city with a strong sense of its own identity. It is a city with a government. It is a city devoted to culture and the finer arts of civilisation. It is a city with a working and up-to-date infrastructure. During the last 20 years it has become a city of importance in the history of contemporary architecture. Londoners can gain some sense of this creative excitement at *Paris: A City in the Making*, an exhibition at the French Institute in Queensberry Place.

The exhibition is an offshoot of the Pavillon de l'Arsenal in Paris, a centre founded in 1989 to inform Parisians about changes in the planning and development of their city. Pavillon de l'Arsenal, housed in a 19th century glass and steel building on the Boulevard Morland in the IVe district of Paris, was the brain child of M. Jaques Chirac, as mayor of Paris. At its heart is a great model of Paris connected to a tactile screen computer. Visitors ask the computer questions, and it answers through a video disc while a laser ray spotlights the relevant sector of the model.

Apart from all this high level technology the Pavillon de l'Arsenal publishes books, runs a library on Paris, and organises regular temporary exhibitions. The one in London follows many of the themes of the permanent display in Paris. Alas, the great model does not travel and so the exhibition is relatively hard work: you must enjoy reading panels and unravelling plans.

Unlike the recent *Vision for London* model and exhibition at the Royal Exchange in the City, the Paris displays are not afraid of history. History and the study of civilisation unlock an understanding and enjoyment of architecture. The creators of the Paris exhibition understand this; they begin their themed explanation of the city's growth and change by explaining how the city acquired the shape it has today. From Philippe-Auguste's walls and crypts to the rampant demolition and rebuildings of Baron Haussmann, Paris has undergone sweeping changes. However, there is always evidence of the grand vision, which is so rare in Britain.

The display in London helps to relate a number of significant architectural developments in Paris to the overall plans and strategies for the city. Visitors cannot but sense that the developers of Paris – both private and public – are aware of the restraints and advantages of centralised planning. The interminable peripherique, for instance, encircles Paris like a corset. And it is interesting to observe that Paris's encounter with the Modern movement was really a failure – the city remains visually of the 19th century. The immense scale of much of what the Modern movement intended for Paris destroyed the *quartier* and all the happy mixtures of activity that make Paris work so well. The Centre Georges Pompidou, for all its avant-garde attraction, also showed Parisians the crude insensitivity of much modern design.

The more sensitive Parisians have always valued the density of their city and its hidden courts and muddle of uses. The city needs both the grand statement and the gradual renewal of the *quartiers*. There is a chance in this exhibition to compare, for example, the Parc de Bercy (1990) with Buttes Chaumont (1860); or the formality of La Grande Arche with the relaxed abstractions of the Parc de la Villette.

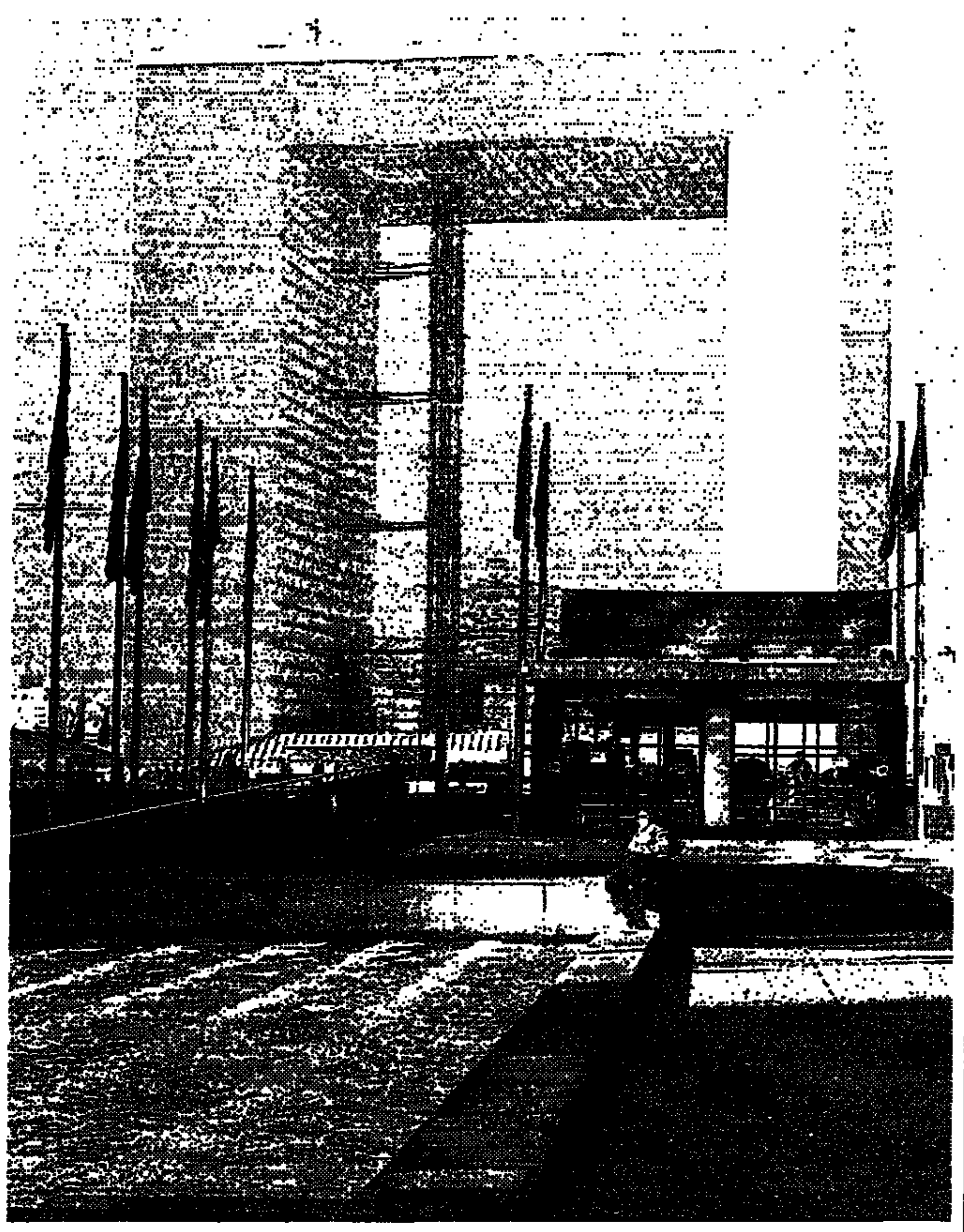
The most intriguing period in Paris is, without a doubt, the 1980s and the triumph of socialism, marked by the grand presidential projects and the new urban policies of the city of Paris. In the 1970s, things were not quite so clear; the redevelopment of Les Halles caused much controversy and the rise of the post-modernism of Ricardo Bofill sparked off intense architectural debate.

But President Mitterrand evidently knew exactly what he wanted. His projects are the result of international competition and represent the new wave of modernism.

The unknown Dane, Johan Otto van Spreckelsen, designed the great white marble arch at La Defense. The equally unknown Bernard Tschumi, from New York, won the commission for "the park of the 21st century" at La Villette. The president's wish to turn the entire palace of the Louvre into a modernised museum was granted by the American architect I. M. Pei, who provided the most potent new symbol in the city with his pyramid in the Louvre courtyard. The ministry of finance now occupies the huge slab overhanging the Seine designed by Chemetov and Huidobro, and the striking new City of Music opened at La Villette last year, designed by Christian de Portzamparc.

With the French elections almost upon us, what will become of the unfinished projects if the socialist government falls? Will Dominique Perrault's strange French National Library in the Tolbiac district ever house books in its towers? Francis Soler's International Conference Centre on the Quai de Branly, near the Eiffel Tower, proposes three great glass boxes of an intensely minimalist design. Both these projects could well be casualties of a change of government.

Whatever the political outcome of the next few weeks, Paris remains a city where architecture really matters as a part of the national culture. That just cannot be said of London, where the boom of the 1980s produced so little of architectural merit and our national leaders seem intent upon the removal of all sense of civic pride from the nation's capital.



Confident vision: the great white marble arch at La Defense, part of the new wave of modernism, was designed for President Mitterrand by Johan Otto van Spreckelsen

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Paris: A City in the Making, 17 Queensberry Place, London, SW7; Tel. 071-589 6211 (sponsored by Aeroports de Paris).

Music in New York/**Paul Griffiths**

Ellen Taaffe Zwilich

The music of Ellen Taaffe Zwilich has made little impression outside the US, but it is different at home, where her scores fly around the country like shots in a pinball machine. Not a year passes without a new symphony, concerto or mighty orchestral piece, always tidily made, practical, uncomplicated, and sure to appeal to orchestral managements from Florida (where she was born, in 1939) to Alaska.

On the very night of the first performance of her Third Symphony, commissioned and played by the New York Philharmonic, Zwilich was also to be heard in Phoenix and Minnesota. And this was only the first of three Zwilich orchestral premieres planned for 1993.

Zwilich's skill is clear from the new symphony – as clear as the cautiousness that may account for such success. She is cautious not to cause expense (so no additions to the standard symphony orchestra), not to trespass too much on rehearsal time, not to exceed the patience of the many audiences she has the right to foresee (so three movements, and the whole work over in 22 minutes) and not to go beyond, either, what the standard repertory has taught those audiences to regard as the proper stuff of symphonies (so strong themes, strong tonal centres, and a rhetoric of combat).

What comes out of all this is music curiously close to that of another 20th-century symphonist who operated under a machinery of cramps and constraints: Shostakovich.

Except for the steamrolling syncopation that shows the hand of a sometime jazz trumpeter, almost nothing in the symphony would prevent one's hearing it as a Soviet product of 50 years ago, by a composer taking her bearings from Prokofiev (a few moments of spiky glamour reminiscent of *Romeo and Juliet*) as well as from Shostakovich's symphonic procedures: the emphatically stated keynotes, from which the melodies are often hopelessly adrift and isolated; the insistence on germinal motifs (here especially the very Shostakovich-like opening gambit of rising through a minor third by way of a minor second); even the desolated triumphs.

For when this symphony finally returns to the F sharp of its opening, the blazing triads are perched precariously in an unrooted treble, and dominated by the over-bright, unsteady sound of high trumpets and vibraphone. This moment needs a crack performance – and received one. Zwilich also expects much from her violas, placed at the front right, from where they can balance the first violins in voice and action, while the resort to traditional sources of energy and argument inevitably brings the brass ensemble and various woodwind soloists repeatedly to the fore.

Created for the musicians who were so confidently introducing it to the world, the symphony was perhaps created, too, for Kurt Masur, though in the event of his indisposition it was strongly urged by Jahja Ling, well used to this composer's work.

Avery Fisher Hall, New York

Opera/**Max Loppert**

La Favorite

When so much about Welsh National Opera's new production of Donizetti's *Favorite* is regrettable – singing, musical preparation, production – it may seem perverse to start out on the matter of the Italian text that the company has elected to sing. But since this seems to me symptomatic of the central failure of artistic nerve that characterises this important revival, I make no excuse for doing so.

La Favorite (1840) is a French *grand opéra*, the second that Donizetti wrote for Paris. It was regularly performed in that city until 1918, and thereafter kept a toe-hold on the international repertory in Italian translation; but, as every Donizettian knows who has ever compared the two versions even briefly, the standard Italian *Favorite* text is a ghastly botch-up of the original.

WNO's general administrator, Matthew Epstein, is well aware of the overriding argument for performing the opera in its original language (as I know from correspondence with him); its musical director and *Favorite* conductor, Carlo Rizzi, admitted on the latest edition of Radio 3's *Opera News* that he would have preferred to do *Favorite* in French. So what happened to sway the company's two head-men against their own better judgment?

Enter at this point the Peter Moores Foundation, which has funded the production, and which in the WNO *Favorite* programme offers the lame rationale that "the [opera's] surviving performance tradition is in Italy and America, where it is always sung in Italian". What this has to do with the work's revival in Cardiff, and with a cast entirely made up of anglophone singers all taking their roles for the first time, escapes me completely.

If the Peter Moores Foundation had also stumped up sufficient cash to pay for Italian stars (Cecilia Bartoli and Giuseppe Sabbatini, say, or even Pavarotti) there would have been some sense in a WNO Italian-language *Favorite*. At least the foundation has, for the occasion, also undertaken a revision of the Italian version, which eradicates the notorious narrative nonsenses of the standard Italian text (the process of transforming *Favorite* into *Favorita* ran up against Italian censorship of the mid-19th century, which turned a rigorous gaze on religion and historical personages in opera, and which in this case resulted in garbled points of plot and character).

But this hardly settles the worrying basic question of sponsors exerting influence on a national company's artistic policy. Does language really matter? *La Favorite* is a noble, serious opera – about the struggle between sacred and profane love undergone by the central figure, Fernand (tenor) – in a consciously mastered *French* style.

In his works for Paris, Donizetti aimed high, and specifically: the forms are large in scale, the orchestration is careful, and the vocal writing (bar a few rum-ti-tum strettas) is severely simplified, achieving in solo and duet a spacious singing style that was to have a powerful impact on Verdi. The French words are clean-cut and cleanly meshed with the vocal line; in Italian, and particularly in the very indifferent Italian on offer here, the effect is constantly fuzzed up.

The larger point about the Cardiff *Favorite* performance is that a little-known but significant opera is made to seem second-rate: stiffer, less "animally" alive in its musico-dramatic compound than *Lucia* and *Lucrezia Borgia*, and cardboard-y in its characters and situations. In the New Theatre on Friday the music was at once crudely shaped and loudly belted. In the fascinating title-role – mistress of the king, Fernand's guilty, unhappy lover – the Australian mezzo-soprano Bernadette Cullen gave notice of a strong, well-schooled instrument but almost no notion of *bel canto* style. Ditto the Fernand of Bonaventura Bottone, the ENO's much-admired character tenor.

The remainder ranged from the just-acceptable to the mediocre. The conductor, who failed to instil respect for dynamic markings in his singers, secured fleet orchestral playing but little sense of larger movement. Rennie Wright's production is "modern" in a competently second-hand fashion: stepped basic set, symbolic props, gauze, the all-too-familiar production *lingua franca* of the 1970s. What a disappointment!

New Theatre, Cardiff, then on tour to eight cities, including two performances in WNO's April residence at Covent Garden.

Language problem: Donizetti's La Favorite in Cardiff

Comedy/**Antony Thorncroft**

Steven Wright

The stage is bare apart from an armchair illuminated by a spotlight. No, not *Mastermind*; something much more challenging and disturbing. A complete scruff wanders on, dressed in black, with his long hair divided by a balding dome, like a mad professor. He sits down, picks up a microphone and is away. "When we landed I forgot to take off my seat belt. I discovered I was hauling the aircraft through the terminal."

For well over an hour Steven Wright, perhaps the most admired of American stand up comedians, fires off terse one liners, which are not exactly jokes, more bizarre twists to accepted speech and reality. The delivery is relentless; the face deadpan; the variation minimal. Yet Wright creates an entirely credible world and lets slip an awful lot about himself and American society.

Some of it is childish riddles: "what do you put under coasters?". Some of it sixth form word play: "I like to reminisce with people I don't know". Some of it is mildly amusing: "Why are ballerinas always on tip toes? Why not get taller women". And some of it weird: "You never know what you've got til it's gone. I wanted to find out so I got rid of everything".

This is the kind of act that can get very tedious. I smiled occasionally while all around people were laughing hysterically. The skill is that purile jokes – "I bought a de-caffeinated coffee table" – are easily swallowed in the incessant flow, and that there is a sinister undertow which keeps you hooked. Wright talks a lot about his grandfather, with some typical exchanges. "Here's $5. Don't tell your mother I'm giving it to you." "It will cost more than that."

The act enters the truly oddball when Wright picks up his guitar to sing about a two-day-old baby girl who he has foretold will become a prostitute. It is disturbingly funny. You realise that there is some method, some underlying cohesion behind what seems to be random quips. The gap between funny-ha-ha and funny-strange has been bridged.

Wright projects the image of the freewheeling American who hates cops and regimentation. Yet there is minimal swearing; minimal political correctness; minimal posturing. There are hints of Tom Lehrer and a bit of Garrison Keiller. Sometimes his desire to turn the real world on its head – "I like to skate on the other side of the ice" – becomes formulaic but Wright is an original, imaginative, rare talent. Like most comedians, you can tell whether you are going to enjoy the act in the first minute. Wright was too predictably smart-assed for my taste, but I can appreciate his appeal.

Dominion Theatre, London

INTERNATIONAL ARTS GUIDE

■ BERLIN

OPERA/DANCE

Staatsoper unter den Linden The main event this week is the premiere on Fri of a new Béjart ballet production, conducted by Daniel Barenboim (repeated March 14, 28, April 4, 10, 15). This week's other performances include a song recital tonight by Robert Gambill, Der Freischütz and Thurs, Zar und Zimmermann with Kurt Moll on Wed and Salome with Karen Huffstodt on Sat (200 4762)

Komische Oper Tomorrow: first night of new production of Flemming Flindt's 1966 Dumas ballet The Three Musketeers (also Sun). Wed: Bartered Bride. Fri: Les Contes d'Hoffmann. Sat: Entführung (229 2555)

Deutsche Oper Tomorrow and Fri: Elektra with Janis Martin and Leonie Rysanek. Wed: Gounod's Faust. Thurs: Jiri Kout conducts revival of Götz Friedrich's production of Mathis der Maler. Sat: Katya Kabanova. Sun afternoon: Peter Schaufuss' production of Giselle. Sun evening: Balanchine evening (341 0249)

CONCERTS

Philharmonie Tonight: Georg Solti conducts Berlin Philharmonic Orchestra and Berlin Radio Chorus in concert performance of Falstaff, with José van Dam in title role. Tomorrow: Alexander Lazarev conducts Bolshoy Orchestra in works by Rimsky-Korsakov, Glazunov and Tchaikovsky. Wed: Arditti Quartet plays works inspired by Hölderlin . Thurs, Fri evening, Sun morning: Solti conducts Beethoven's Second Symphony and Shostakovich's Fifth. Sat: Ivo Pogorelich piano recital. March 17: Pierre Boulez begins two weeks of concerts with BPO (2548 8232)

Schauspielhaus Tonight: Heinz Wallberg conducts Berlin Symphony Orchestra in a Brahms programme, with violin soloist Viktor Tretiakov. Tomorrow: Italian opera gala. Wed: Collegium Musicum Leipzig plays Mozart. Fri: Arturo Tamayo conducts Berlin Radio Symphony Orchestra in opening concert of Berlin Musik-Biennale, featuring works by Ligeti and Silvestrov. Sat evening, Sun afternoon, next Tues: Edith Wiens and Robert Gambill are soloists in Haydn's Seasons (2090 2156)

Friedrichspalast Tonight: Ute Lemper in concert (301 9999)

THEATRE

Deutsches Theater Kammerspiele gives the German premiere of Howard Brenton's Berlin Bertie on Wed, with a single preview tomorrow (2844 1226). Schiller Theater is preparing a new all-male production of Shakespeare's As You Like It, in a new German translation by Thomas Brasch, directed Katharina Thalbach. First night on Sat (312 6505). Theater des Westens has Cole Porter's musical Anything Goes, daily except Mon (3190 3193)

● Tickets and information for theatre, revues, concerts and nightclub shows available from City Center Theater und Konzertkasse, Kurfürstendamm 16 (tel 882 6563 fax 882 6567) and Theaterkasse im Europa-Center (tel 261 7051 fax 261 9286)

■ NEW YORK

OPERA/DANCE

Metropolitan Opera Main event this week is premiere on Thurs of Elijah Moshinsky's new production of Ariadne auf Naxos, conducted by Ion Marin, designed by Michael Yeargan, with cast led by Jessye Norman, Thomas Moser, Susanne Mentzer, Ruth Ann Swenson (also March 16, 20, 23, 27, April 1, 8). Tonight: Die Zauberflöte , with Kathleen Battle, Peter Seiffert, Manfred Hemm. Tomorrow and Fri: La fanciulla del West with Ghena Dimitrova. Wed and Sat: Cav and Pag with Teresa Stratas, Vladimir Atlantov (362 6000). City Center Merce Cunningham Dance Co. opens two-week season tomorrow (581 1212). March 16-28 at State Theater: Dance Theatre of Harlem (870 5570)

CONCERTS

Carnegie Hall Tonight and tomorrow: Herbert Blomstedt conducts San Francisco Symphony Orchestra in works by Bruckner and Copland (tonight) and Debussy, Harbison, Sibelius and Stravinsky (tomorrow). Thurs: Pierre Boulez conducts Cleveland Orchestra in Debussy, Bartok and Messiaen, with piano soloist Andras Schiff. Sun: James Levine conducts Aids benefit concert. March 16: Sawallisch conducts Philadelphia Orchestra, with piano soloist Maurizio Pollini. March 20: Christa Ludwig (247 7800)

Alice Tully Hall Tomorrow: Guarneri Quartet, with Bernard Greenhouse. Sun: Keith Jarrett (875 5050)

Avery Fisher Hall Sun afternoon: Pinchas Zukerman, accompanied by Marc Neikrug, plays violin sonatas by Bartok, Mozart and Fauré . March 20: June Anderson and Alfredo Kraus (875 5030)

THEATRE

● Putting It Together: a celebration of Stephen Sondheim's music, with Julie Andrews. In previews (Manhattan Theatre Club at City Center, 131 West 55th St, 581 1212)

● Candida: one of Shaw's earliest plays. In previews (Roundabout, Broadway at 45th St, 869 8400)

● Oleanna: David Mamet's powerful drama that stirs up ideologues (Orpheum, 126 Second Ave at 8th St, 307 4100)

● The Sisters Rosensweig: Wendy Wasserstein's comedy with serious undertones, newly transferred to Broadway. (Ethel Barrymore, 243 West 47th St, 239 6200)

JAZZ/CABARET

Blue Note Tonight: Ernie Krivda Jazz Sextet. Tomorrow till Sun: George Shearing Duo plus Jim Hall Trio, showtimes at 21.00 and 23.30. March 23-28: Cleo Laine and John Dankworth (131 West 3rd St, 475 8592)

Carlyle Hotel Eartha Kitt is currently holding court (Madison Ave at 76th St, 744 1600)

■ PARIS

OPERA

Opéra Bastille Tomorrow and Fri: Myung-Whun Chung conducts Denis Krief's new production of Benvenuto Cellini, with Chris Merritt and Diana Montague (in repertory till March 31). Next Tues: revival of Faust with Francisco Araiza (4001 1616)

Palais Garnier Sat: Peter Schneider conducts first of seven performances of Johannes Schaaf's production of Capriccio, with Felicity Lott, Anne Howells, Theo Adam and Wolfgang Schoene (4742 5371)

Opéra Comique Wed, Thurs, Sun: Cyril Diederich conducts Robert Fortune's production of Mireille, with Maryse Castets and Michele Command alternating in title role. Runs till March 25 (4286 8883)

CONCERTS

Châtelet Tonight: Hans Zender conducts Ensemble InterContemporain in works by Stockhausen, Debussy and Boesmans. Tomorrow: Diego Masson conducts Huber, Gesualdo and Dallapiccolla. Wed: Nikolai Demidenko piano recital (4028 2840)

Théâtre des Champs-Elysees Tomorrow: Emmanuel Krivine conducts Orchestre National de Lyon in Berlioz, Mendelssohn, Jarrell and Ravel, with violin soloist Augustin Dumay. Thurs: David Zinman conducts Orchestre National de France in Glinka, Prokofiev and Tchaikovsky, with violin soloist Gil Shaham. March 16: Evgeny Kissin (4720 3637)

Salle Pleyel Wed, Thurs, Fri: Kurt Sanderling conducts Orchestre de Paris in Beethoven's Fourth Piano Concerto (Jean-Bernard Pommier) and Schubert's Ninth Symphony. Sat: Jacques Mercier conducts Orchestre National de l'Ile de France in Sibelius and Stravinsky, with violin soloist Leonidas Kavakos (4563 0796). Sat in Théâtre de la Ville: Sergei Edelman piano recital (4274 2277)

THEATRE

Jackets: Edward Bond's 1989 tragedy, set in 18th century imperial Japan and modern England, about youth being crushed by the imperatives of power. Till March 27 (Théâtre de la Ville 4274 2277)

JAZZ/CABARET

Lionel Hampton Jazz Club New Orleans jazz trumpeter Terence Blanchard and Quintet: music from 22.30, daily till March 20 (Hotel Meridien Paris Etoile, 81 Boulevard Gouvion St Cyr, tel 4068 3042)

European Cable and Satellite Business TV
(All times are Central European Time)

MONDAY TO THURSDAY

Super Channel: European Business Today 0730; 2230

MONDAY
Super Channel: West of Moscow 1230.
Super Channel: Financial Times Reports 0630

WEDNESDAY
Super Channel: Financial Times Reports 2130

THURSDAY
Sky News: Financial Times Reports 2030; 0130

FRIDAY
Super Channel: European Business Today 0730; 2230
Sky News: Financial Times Reports 0530

SATURDAY
Super Channel: Financial Times Reports 0930
Sky News: West of Moscow 1130; 2230

SUNDAY
Super Channel: West of Moscow 1830
Super Channel: Financial Times Reports 1900
Sky News: West of Moscow 0230; 0530
Sky News: Financial Times Reports 1330; 2030

Long wait for entry

Tony Walker on western misgivings as China negotiates to join the Gatt

China this year will join the world's top 10 traders, but it is finding this exclusive *club not as welcoming as it* might have expected.

The Chinese are being obliged to pay much more attention to trade sensitivities than ever before. Beijing's protracted negotiations on accession to the General Agreement on Tariffs and Trade have provided a focus for the misgivings felt by China's main trading partners over the spectacular improvement in its export performance in the past few years.

For the US, the European Community and Japan, the prospect of China as a world trade power that plays by its own rules is no longer distant. And it should be no surprise that they are all trying, perhaps belatedly, to ensure they are not disadvantaged as competition intensifies.

The challenge they face is writ large in their ballooning trade deficits with China: the US deficit in 1992 exceeded $18bn, the EC's reached $9.3bn, and Japan's was about $5bn.

In response to growing restiveness among its main trading partners, China has promised to send buying missions to the US and to Europe. Its officials have also been talking China up as a market for raw materials and equipment. They recently reiterated their forecast of projected imports worth $350bn to $400bn in the current 1991-1995 five-year plan.

Chinese officials have also been making much of the fact that the country's overall trade surplus was down sharply last year to $4.4bn, compared with $9bn in 1991. They expect it to shrink further this year.

Western governments tend to view these Chinese statements and manoeuvres as little more than a smokescreen, and are maintaining pressure on Beijing to liberalise its trade regime and so enhance opportunities for foreign entry to the Chinese market.

In Beijing last week, Mr Douglas Newkirk, the assistant US trade representative, spelt out what he said were minimum conditions for China's accession to Gatt. These included: a single national trade policy common to all provinces and regions; full transparency of trade regulations (until recently trade was governed by a plethora of secret rules); the gradual removal of non-tariff barriers; a commitment to move to a full market economy; and acceptance of safeguards to protect Gatt signatories from a possible surge in Chinese exports.

CHINA: TOTAL EXPORTS

	$bn		$bn
1982	21.871	1987	39.542
1983	22.179	1988	47.542
1984	24.831	1989	51.628
1985	27.327	1990	60.920
1986	31.147	1991	70.292
		1992 (10 months to Oct)	62.139

Source: International Monetary Fund

Chinese advance: the quality of equipment has been improving

It is the latter concern, given China's enormous strides recently as an export power, that is weighing most heavily with the west. An EC official said in Beijing that the Community's principal requirement was a strong safeguards clause, and it was most unlikely to accept anything less.

According to the EC representative, in spite of China's claims to have embarked on a concerted process of trade liberalisation, barriers to entry to the China market abound. Many are derived from bureaucratic interference, such as the difficulties EC dairy products faced overcoming the sometimes arbitrarily applied health regulations.

A decade or so ago China ranked 20th among trading nations with exports of about $21bn (see chart), which represented less than 1 per cent of world trade. Projected exports this year of $100bn would account for more than 2.5 per cent of world trade.

The range and quality of its products are also showing marked improvement, with a continuing shift towards more sophisticated manufactured items, including machinery and transport equipment – sectors where there has been high foreign investment.

Exports of these items rose by about 86 per cent in the first nine months of 1992 compared with the same period a year earlier. They accounted for 16 per cent of total exports last year, up sharply from only 6 per cent in 1988.

China's trading partners have not overlooked the fact that investment is pouring into export-generating industries. In the first 10 months of 1992, some $37bn was committed to new projects, the bulk located in special economic zones in coastal regions. This compares with $48bn of contracted direct foreign investment for the previous 13 years of the "open door" policy.

Chinese officials, who a few months ago were predicting that China's accession to Gatt would be a formality, appear to have been taken aback by what they regard as an unhelpful posture adopted by the west. In last week's Gatt negotiations, Beijing resisted US pressure to agree to a safeguards clause, which would enable individual signatories to impose quota restrictions on items such as textiles and electronic products. It also refused to embrace full market price reform as an eventual goal.

Mr Newkirk charged that China had backed away from earlier commitments. The Chinese, for their part, accuse the west, and the US in particular, of moving the goalposts in the Gatt negotiations.

Beijing is certain to have been disappointed by Mr Newkirk's comment that it was still a "long way" from fulfilling the requirements of Gatt accession. It would also not have been impressed by his observation that China's situation was unique because "Gatt was not written with a socialist market economy in mind". This, Mr Newkirk said, was why it was necessary to negotiate a "boutique protocol aimed exactly and uniquely at the Chinese system".

The Chinese, who are anxious to resolve the Gatt issue quickly to reduce bilateral trade pressures, say it is unfair to impose a special safeguards system on them when other recent signatories, such as several of the former eastern bloc states, have not been obliged to accept the same conditions.

On the eve of the resumption of the talks, Mr Li Zhongzhou, deputy director-general of China's powerful Department of International Trade and Economic Relations, told foreign diplomats that recent reforms had "brought China's trade regime into conformity with the requirements of Gatt".

He cited a long list of reforms, including reductions in import duties, a 7.3 per cent drop in the general level of tariffs by the removal of two-thirds of products from the list of 53 still subject to import licensing; and steps towards abolishing about 75 per cent of China's non-tariff barriers.

"These commitments," Mr Li said, "represent a great challenge requiring domestic industries to make difficult policy adjustments in the face of stronger international competition.

"If these adjustments are reciprocated by greater market access for Chinese goods, our enterprises will manage to overcome the difficulties of adjustment," he added.

China's trading partners, however, burdened by yawning trade deficits, are not showing much sympathy for the teething problems that Chinese industry might encounter in the early stages of trade liberalisation.

Hans van den Broek, the new EC commissioner for external political relations, talks to **Lionel Barber** and **David Gardner**

A brief to build bridges

Mr Hans van den Broek is a man trying to carve out a new role, both for himself and the European Community. After 10 years as Dutch foreign minister, he has come to Brussels to stake out what he sees as a growing role for the European Commission in framing a common foreign and security policy for Europe. His ambition is tempered by realism.

The backdrop to his new job as the European commissioner responsible for external political relations could hardly be more unfavourable. Europe is stuck in the worst recession since the second world war, feeding into a crisis of confidence caused by the delay of Denmark and the UK in ratifying the Maastricht treaty, the foundation text for the new EC foreign policy.

As if this were not enough, Mr Van den Broek is fighting for elbow room inside the Commission which has chosen to divide the foreign affairs portfolio between himself and Sir Leon Brittan. Sir Leon takes charge of trade, relations with industrialised countries and aid to eastern Europe. Since trade has until now been the substantive foreign business of the EC, the Brittan camp has been crowing about where the real power lies.

"Van den Broek will do the hand-shaking; Leon will do the horse-trading," smirked one of Sir Leon's allies.

Sitting in front of two Dutch masters in his office last Friday, Mr Van den Broek, a patient man with a faintly clerical air, appeared relaxed about a job he insisted he had sought. True, he was still struggling with Sir Leon over the division of power and staff within the bureaucracy, which he described as a "constructive uphill fight". But he remained confident that he would secure "certain minimum tools" to do his job.

Mr Van den Broek is clear there is a job to be done. After the collapse of communism in the east and amid doubts about the long-term military commitment of the US to Europe, the EC – until now a purely civil power – is moving hesitantly to fill the vacuum. "Maastricht is about coming to grips with our international political role," he says.

This means, in his view, enlarging the EC to bring in new members, starting with Austria, Finland, Sweden and Norway; involving eastern Europe *immediately* in consultations on the political future of the Continent; standing behind the Russian reform effort; and fashioning credible solutions to the conflict in former Yugoslavia, which Mr Van den Broek is convinced must involve the US and Russia.

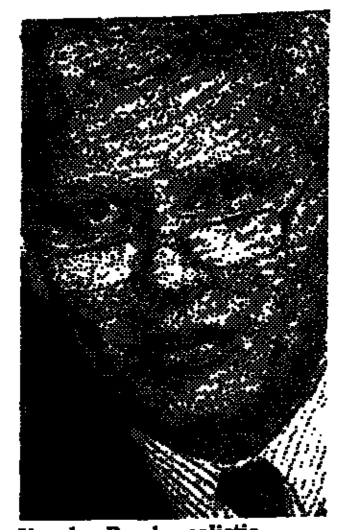
Until Maastricht is ratified, negotiations on enlargement form the backbone of Mr Van den Broek's job. Talks began last month with the Austrians, Swedes and Finns, with a view to accession in 1995. The Dutchman warned at the time that these negotiations would not be a walk-over. Public opinion in the Nordic countries remains suspicious of European integration, though this may change if the Danes approve Maastricht in a second referendum in May.

It remains EC policy that the newcomers cannot expect Denmark's special treaty opt-outs. "We do feel we have to be strict on the conditions." But he stresses: "It is our ultimate conviction – though it is a choice to be made by the applicants – that membership is in our interest and theirs."

On eastern Europe, Mr Van den Broek is insistent that "we need to make clear that they belong to the fact of European construction". By this, the commissioner means that ways must be found to bind the former communist satellites into western Europe, until such time as their economies can withstand the rigours of full EC membership.

The idea is to expand trade, technology and market access to the east Europeans under the so-called EC association agreements. A second, still inchoate proposal is to hold joint political councils with a view to deciding matters of common interest.

The process of building bridges to the east is running at several speeds. Poland, Hungary and the Czech and Slovak republics are in the vanguard, followed by Romania, Bulgaria and Albania. Eventually, Mr Van den Broek can foresee the Baltic republics coming aboard.



Van den Broek: realistic

The commissioner believes that closer ties of this nature could act as a catalyst to closer economic integration between eastern and western Europe. But he is honest enough to admit that the EC has not been sufficiently generous with market access. "I sense a growing sentiment among member states that we have to make a greater effort."

On Russia, Mr Van den Broek is much less categorical. The economy is struggling, yet amid the chaos there are still untapped western credit lines: "I am not convinced that financial transfers are the main problem." Instead, he calls for the whole international community to show unequivocal "solidarity" with Mr Boris Yeltsin, the Russian president.

On March 26-27, Mr Van den Broek and a troika of EC foreign ministers will be in Moscow hoping to hear from Mr Yeltsin "what other means may be needed" to underpin economic and political reform. As a long-time Atlanticist – "Euro-Atlanticist", he corrects – the Dutchman is convinced of the need for a full US role. "The US remains, also for [us in] Europe, the natural counterpart of Russia."

It is not, therefore, surprising to learn that Mr Van den Broek has been quietly urging EC support for President Clinton's Bosnian air-drop initiative. This is part of a broader view that the US – and most likely Russia – must be involved in enforcing a political settlement in former Yugoslavia, if and when it comes. The problem in the past was that "the parties were led to believe that undertakings reached at the negotiating table would never be enforced".

Mr Van den Broek presided over the purely European effort to broker peace in Yugoslavia when he chaired the EC's Council of Ministers in the second half of 1991. While loath to undervalue the EC's role as by far the largest donor of humanitarian aid, he acknowledges that "the Community has often given the impression of division", notably when Germany pressured the 12 into premature recognition of Croatia in January 1992.

He draws the comparison with the EC's swift and united response to the August 1991 coup attempt in Moscow. Here the Community had an old enemy in its sights, and reacted almost reflexively. Post-cold war, however, the Community was forced to deal with a resurgence of ethnic *rivalries and nationalism in* the east which in the west had largely been consigned to the past. The result was that France recalled its historic links with Serbia and Germany its ties with Croatia. The Franco-German axis which carries the EC forward did not work.

At the time, as the commissioner acknowledges, he was bitterly at odds with Mr Hans-Dietrich Genscher, then Germany's foreign minister. Mr Van den Broek now wonders whether "my colleague Mr Genscher would be as angry with me about my position [on recognition of Croatia] as he was then".

The lesson he believes the EC should draw applies not only to Yugoslavia, but also to its post-cold war relationship with the fragmenting east of the Continent as a whole. "I do not dispute the right of self-determination for one moment. But are we also prepared to defend that recognition in the event of an appalling state of violence – the extent of which we could barely imagine?"

LETTERS TO THE EDITOR

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Two sides to stories of oppressed Russians

From Mr Eugene M Iwanciw.

Sir, The Financial Times is to be applauded for its editorial ("Russia's backyard", March 2).

President Yeltsin's call for the United Nations to grant Russia "special powers" is simply a request for justification of Russian imperialism. Russia is not the solution but the problem in many of the conflicts in the former Soviet Union. In Moldova, for example, it is the Russian 14th army which induced the conflict among the various ethnic groups. It is the Russian 14th army which is now illegally dismembering this sovereign nation.

While the FT expresses concern about treatment of the 25m ethnic Russians living outside Russia, it expresses no such concern about Russian treatment of a similar number of non-Russians living in Russia. While there are about 11m Russians in Ukraine (22 per cent of the population), almost 50 per cent of the schools are taught in the Russian language. But there are no Ukrainian-language schools for the 9m Ukrainians living in Russia (almost 1m in Moscow alone). Yet Russia claims Russians in Ukraine need protection!

The reaction of some of the newly independent nations toward Russians, if not defensible, is at least understandable. Many of the Russians came to these nations as conquerors and now expect to retain their privileged positions while refusing even to learn the local language.

Did the world expect France to continue the special privileges of German occupiers at the end of the second world war? The only differences are that the Russians occupied these nations longer and were more vicious toward the native populations.

Let us keep these issues in perspective and not be swayed by a new wave of propaganda emanating from Moscow.

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Maxwell pensioners deserve security without further delay

From Mr Kenneth Trench.

Sir, Your report on the Serious Fraud Office's effectively stopping the select committee's investigation into the Maxwell pensions scandal ("Maxwell pensioners suffer setback", February 27) highlights the frustration and mental anguish the pensioners have been suffering for more than a year.

The slow process of criminal justice for the few is hampering moral justice for 20,000. The select committee chairman, Frank Field, says his inquiries will continue after relevant criminal proceedings have been completed. Best estimates are that the Maxwell trials will not even begin before the end of next year.

The Maxwell pensioners have claimed that the cause of their dilemma is inadequate protection of pension investment under the Finance Services Act and lack of proper delegation of regulatory powers by the Department of Trade and Industry to the Investment Management Regulatory Organisation. The report on IMRO's actions in relation to Maxwell pension funds was promised by the Securities and Investments Board to Maxwell pensioners early last year.

Fortuitously for some, it was not produced until after the arrest of the Maxwells in June. The report immediately became *sub judice*, destroying at a stroke the pensioners opportunity to prove quickly their case for compensation.

When the report finally surfaces for Mr Field's committee to resume its investigations it will be useless to many pensioners. By then several hundred will have died.

The human dimension of the misery of the Maxwell pensioners makes this a City and political scandal that will not go away. With regulation as it now stands, it could be argued that anyone investing in a pension scheme should insure it against fraud, as they would insure their home against fire.

The government should act now to first give long-term security to the Maxwell victims and then quickly to implement change in an effort to give pensions back the image of security they once enjoyed.

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Sellafield discharge actually very small

From Mr J R S Guinness

Sir, Bronwen Maddox reports ("Sellafield has second leak", February 26) that British Nuclear Fuels discharged more than seven times the usual weekly *amount of radioactive* iodine at the Sellafield nuclear site during the week ending February 13.

To the layman this would appear to be a huge amount. But the radioactive impact of this release on the most exposed member of the public living near the site is equivalent to that which would take place during a 15-minute flight on a passenger aircraft.

The fact that we have such sophisticated measuring devices at Sellafield which can detect such minute amounts should, in itself, be reassuring to the public. Unfortunately, detecting discharges which result in such small dosages requires detailed analysis. That inevitably means a delay between the actual release and its detection. That is why there is a delay in the reporting of such incidents.

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BR's pension obligation

From Mr Sean Hand.

Sir, I concur with your view ("Pensions at Risk", March 3) that dilution of benefits will do nothing to enhance confidence in a pensions system which has suffered gravely from the activities of the late Robert Maxwell.

Reviewing the government's proposals for railway pensions after privatisation, I came across the following paragraph: "The government will need to be satisfied that the method of allocation of surplus assets strikes a fair balance between all interested parties, including contributing members, pensioners, deferred pensioners, current and prospective employers, and the taxpayer who is contributing through the government support contributions."

A statement like this from any other sponsoring employer of an occupational pension fund would raise eyebrows even of those taking the broadest view of conflicts of interest.

It seems to me that the government is in a position comparable to that of an employer in such a scheme. Perhaps the most appropriate way to determine the distribution of surplus assets within the BR's pension fund is by the appointment of a truly independent trustee body.

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Options for encouraging lower payouts

From Mr Christopher Haskins.

Sir, Barry Riley ("The long view", February 27/28) is of course correct when he points out that British companies pay out too much dividend and retain insufficient funds for reinvestment.

The chancellor can mitigate this situation at no cost to the Treasury by increasing taxes on distributed profits and/or reducing taxes on profits retained for reinvestment.

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The pleas for manufacturing

THE PRIME minister has said manufacturing matters and who could possibly disagree? But to leap from that proposition to the belief that manufacturing is more real and reliable than other forms of activity is heroic; to leap to the view that manufacturing should be specially favoured by government could prove disastrous.

People who believe that only manufacturing is economically important need to wander about the industrial graveyards of eastern Europe and the former Soviet Union. People who believe that manufacturing must generate increased employment in the UK need only look at the statistics for virtually all developed economies, including Japan. It is rather more relevant that UK manufacturing output last year was just 1 per cent higher than in 1973. This does seem to be saying something, especially when the economy grew by more than a third over the period and Britain went into deficit on manufactured goods a decade ago.

In the long run an advanced country cannot increase its indebtedness to the rest of the world without limit. So demand for and supply of tradeable goods and services need to be roughly equal over the long rum. Since manufacturing is the preponderant tradeable element in the economy, its poor performance must say something about the prospects for long-term economic growth.

Before deciding what needs to be done, however, one needs to understand why manufacturing has grown so little. The most plausible explanation is that deep-seated weaknesses of the economy show up in parts of the economy most exposed to international competition. If so, the weakness of manufacturing is not a cause of the UK's economic problems, but rather a symptom.

Two time scales

Possible remedies can be viewed on two different time scales. The worsening position in the 1980s can, for example, be attributed to specific mistakes in economic policy: too high an exchange rate, and too much stimulus to demand. The short-term corrective – a massive real depreciation of sterling – has already been applied.

There may be more to it than that. Professor Nick Crafts, an economic historian at Warwick University, points out that the UK had a 30 per cent share of world trade in manufactures at the start of the century. It now has less than 9 per cent. Germany had 20 per cent then and has 20 per cent now. In Prof Crafts' view, Germany's success can be put down to a policy of accumulating long-term assets such as human skills and research. UK manufacturers are hampered by short-term pressures from their shareholders. The answer is to change company law and make takeovers more difficult.

At this point one starts to feel uneasy. It is one thing to argue that the long-term solution for British manufacturers is to establish a more stable and reciprocal relationship with both capital and labour, on the German and Japanese model. But the beneficial effects of any changes in the law would be uncertain, while they would impose substantial costs.

International exposure

Meanwhile, the government is under pressure to help industry on other familiar fronts, such as export credits and advance corporation tax. On the first, it can be argued that the chief point of export credits is to help companies do business in countries where there is little security of payment. Shipping out goods without payment is not an export but a gift, however financed.

As for ACT, the system has anomalies. But the simple answer is to pay less in dividends. This brings us back to short-termism and the need for a more stable relationship between companies and shareholders. But this is a matter best hammered out between the parties themselves.

Manufacturing is not self-evidently more important than all other activities. It is just more enfeebled because it is more internationally exposed. Salvation does not lie in schemes in favour of manufacturing as a whole, still less in favour of particular industries. The answer lies partly in government policies that improve the performance of the UK economy. But it also lies in the hands of British industrialists. If the Japanese can make internationally competitive products in the UK, why do their British equivalents find this so difficult?

The stakes in Hong Kong

WITH LONDON and Beijing apparently preparing to resume talks on Hong Kong and the governor calling for a "spirit of realism" about them, the people of the colony might be getting a familiar feeling: that their future is about to be decided without their participation. Mr Chris Patten may vow that the Legislative Council (LegCo) will never be a rubber stamp for the executive, but it is difficult to see how the governments concerned would proceed if an eventual Sino-British agreement were rejected by LegCo.

Nevertheless, the conciliatory noises emanating from both sides do not necessarily presage the end of Mr Patten's proposals for political development. China's blanket opposition to them last October has now been replaced by a willingness to talk. Even if that is in essence a delaying tactic, it also represents an acknowledgement that its propaganda campaign against the governor has failed. Support in London remains solid, and the community in Hong Kong is still broadly behind him. Moreover, Mr Patten's proposals have brought a deepening of political debate within Hong Kong. The colony's politicians have assumed a greater responsibility for its future, and this will be hard for the future sovereign power to ignore. China has consistently maintained that the future of Hong Kong is a matter for talks with Britain, not with the Hong Kong government and certainly not with LegCo. But it would now have to hesitate before insisting on a solution which ignored LegCo's express wishes.

Differing views

As it will be in charge in a little over four years, China stands to gain from satisfactory resolution of this problem – in effect, a test of the "one country, two systems" approach which Mr Deng Xiaoping devised as the means to re-absorb lost territories. There can be little real confidence in Hong Kong's economic future if Beijing does not allow it to develop a system of its own, within the framework already agreed between Britain and China.

Clearly there are differing views within the Chinese government about how to handle the present dispute. While systematically attempting to undermine the governor, the Hong Kong and Macao Affairs Office of the State Council is participating in an investment venture which will give it a direct stake in maintaining the confidence of financial markets. In 1992 alone, China is estimated to have invested US$20bn in Hong Kong. Planned listings of Chinese companies on the Hong Kong stock market indicate a central role for the territory in China's development. With its stake in Hong Kong's future growing, Beijing has an interest in obtaining a solution of the present dispute which bolsters confidence.

Room for compromise

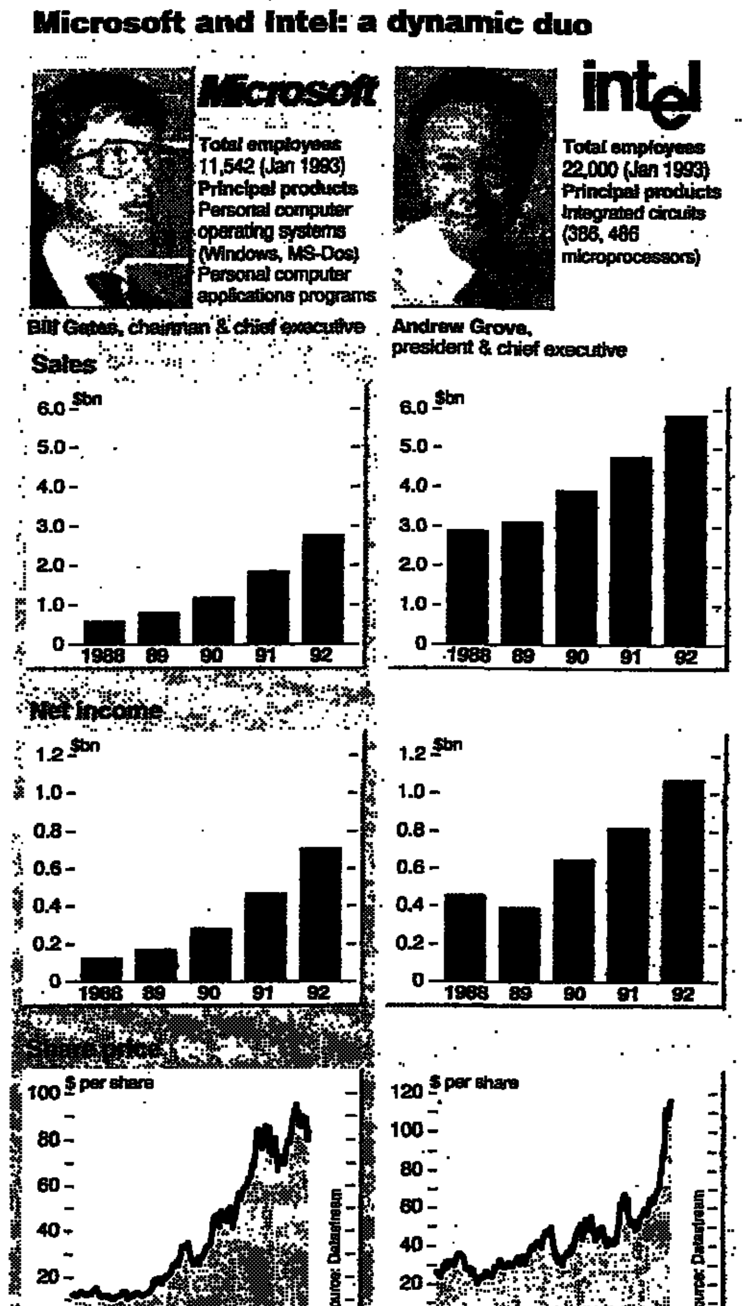
Despite the apparent gulf between London and Beijing on political development, there is scope for a compromise which could satisfy both sides, combining convergence with the post-1997 Basic Law and greater democratic representation. This must be the goal of any talks. Such a compromise would greatly bolster confidence and would probably meet one of Mr Patten's key principles – that the solution be acceptable to the people of Hong Kong. He has said from the start that the Hong Kong community's desire for more democracy was balanced by a desire for convergence with the Basic Law, and that China's opinions had to be taken into account.

Since it would be silly to squander the opportunity for talks by precipitate action, the current delay in putting Mr Patten's programme to LegCo is not important. But LegCo must eventually be allowed to debate amended proposals, or the current ones if there are no Sino-British talks.

The fact that the possibility for compromise exists does not, of course, mean that there will be one. China has got virtually everything it wanted out of talks with Britain on Hong Kong. But regardless of the finer points of negotiation, Mr Patten's open approach has forced greater recognition of the realities of Hong Kong's future and has drawn Hong Kong more into the process of developing its own "system". It is good for the long-term interests of Hong Kong – and therefore, ultimately, of China. He deserves continuing support.

Microsoft and Intel are seeking to reinforce their dominance in information technology, says Louise Kehoe

The hottest act in town



"Welcome to the Bill and Andy Show," says Bill Gates, chairman of Microsoft, as he mounts a stage with Andrew Grove, chief executive and president of Intel, to introduce the latest product of their companies' joint efforts to bring video pictures to the personal computer screen.

Lately, the "Bill and Andy Show" has become the most closely watched act on the information technology stage as Intel and Microsoft assume the role of industry leaders against a backdrop of rapidly shifting technology trends.

Long the dominant suppliers of microprocessors and personal computer software – the "brains" inside the personal computer and the programs that control its functions – Intel and Microsoft have emerged over the past couple of years as the most powerful companies in the computer industry.

Not since the heyday of International Business Machines has there been such a concentration of power in the sector. Just as "Big Blue" was unassailable in the 1970s and early 1980s, now Intel and Microsoft appear unbeatable. Each company commands its field – Intel as the world's largest chipmaker and Microsoft as by far the biggest supplier of PC software.

However, as the West Coast duo – Intel of California and Microsoft of Washington state – prepare to expand their territory beyond the PC market with the introduction of more powerful chips and software for higher-performance computers, their strength is about to be put to the test. Both aim to use their mastery of the PC market to dominate the next phase of computing technology as microprocessor chips become the building blocks for more powerful "servers" – computers that feed information to networked PCs.

"The microprocessor chip has destroyed the oligopoly of the mainframe and minicomputer makers," says Andrew Grove. Invented over 20 years ago by Intel, this miniature information processor has replaced custom-designed processing units and facilitated the mass production of personal computers. Microprocessors have now become so powerful that they rival the performance of minicomputers and mainframes, the traditional workhorses of information processing technology.

"The model of the 'old' computer industry has been broken by the microprocessor," says Mike Maples, executive vice president of Microsoft. "In the past, the manufacture of computers, the creation of software and support services were all provided by a few tightly integrated companies such as IBM and Digital Equipment."

This structure is being "bulldozed" by the advent of low-cost computers based on microprocessors, says Grove. The "new" computer industry is becoming increasingly segmented into hardware, semiconductor, software and service specialists.

IBM's financial problems demonstrate the impact of this shift in the balance of power. In January, it reported net losses of almost $5bn for 1992 and it is rapidly "downsizing". It plans to cut 25,000 jobs this year after reducing its workforce by more than 40,000 last year.

The same technology and market forces that have blown IBM off course have benefited Intel and Microsoft. Intel's 1992 sales rose 22 per cent to $5.84bn and net profits were up 30 per cent at $1.07bn. For fiscal 1992 ending in June, Microsoft recorded a 50 per cent jump in revenues to $2.8bn, while net income rose 53 per cent to $708m.

Microsoft and Intel are dwarfed by IBM's revenues – $64bn in 1992 – but they have become the "keepers of the flame, the keepers of industry standards", says Roger McNamee, of Integral Capital Partners, an investment partnership.

Computer users now look to them, rather than to IBM, to map out the future of information technology. "Microsoft's products are at the forefront of most customers' long-term computer systems strategies," says Mort Rosenthal, chairman of Corporate Software, a US distributor of software.

But doing business with Microsoft "is like water-skiing behind the Queen Mary," he says. "When you do business with Microsoft you do business their way."

Similarly, computer manufacturers are forced to follow Intel's lead. As the sole supplier of leading-edge microprocessors, Intel can dictate when new computers are introduced by its customers. In a recent confidential letter to customers Intel even specified the prices that it expects them to set for the next generation of PCs.

If Intel's customers are unhappy, they are not saying so publicly. Competitors, however, are less reticent. Intel has built an "illicit monopoly" in the microprocessor market, says W J Sanders III, chairman and chief executive of Advanced Micro Devices, a semiconductor rival that has engaged in a legal feud with Intel over rights to microprocessor technology.

Microsoft has also been accused of abusing its power. In particular, competitors charge that its use of "per-processor" licensing arrangements for PC software restricts competition. Under these arrangements, Microsoft gives discounts to PC makers who agree to pay a licensing fee for every PC they sell. This makes it difficult for competitors to persuade PC makers to offer alternative operating systems.

Such complaints have drawn the attention of the US Federal Trade Commission, which recently completed anti-trust investigations of both companies. The outcomes of these investigations have yet to be determined. However, the FTC is not expected to take action against Intel and the commission last month split over whether to seek an injunction against Microsoft.

Even if the FTC does nothing, the dominance of Intel and Microsoft will remain a controversial issue in the computer industry. Steve Jobs, chairman of Next Computer and the former chairman of Apple Computer, has publicly called for the break-up of Microsoft. He fears the company's control over the software market discourages innovation and limits competition.

Microsoft maintains that complaints by rivals are just "sour grapes". "Leading an industry does not mean that you win popularity contests," says Maples, who spent 23 years at IBM before joining Microsoft. He says that Microsoft has become the industry's latest whipping boy, just as IBM was.

Despite such comparisons with IBM, Microsoft and Intel claim they have no ambitions to become industrial giants. "We are a maker of building blocks," says Grove of Intel. The company will continue to concentrate primarily on manufacturing chips and PC add-on circuit boards, he says. Microsoft also aims to remain focused on its "core competences" – developing and selling software that makes computers easier to use. "We have avoided getting into the hardware business," says Maples, adding that Microsoft is deliberately limiting its rate of growth. "It is not that there aren't plenty of opportunities, but you can get fat and lazy" he explains.

Intel and Microsoft nonetheless have plans to expand their markets with important products that will be launched shortly. These are:

- Pentium: This month Intel will unveil its fifth-generation microprocessor. At least twice as powerful as the Intel486, the current top-selling microprocessor, Pentium is intended to power a new generation of high-performance desktop computers and PC network servers.
- Windows NT (New Technology). Now expected in May, Microsoft's NT will combine the features of the popular "Windows" program that enables PC functions to be selected by a pointing device with advanced capabilities such as "multi-tasking" – the performance of several tasks simultaneously. The combination means it should be possible, for example, to search through a database while writing a document.

Intel and Microsoft aim to cement their industry leadership with these new products. But while industry analysts have high expectations for both Windows NT and Pentium, there are significant hurdles.

For NT, success depends on breaking into a market in which Microsoft has little experience. Whereas its current products are aimed at individual PC users, NT is designed for critical applications within industry such as management of corporate databases.

"If somebody's PC word-processing program stops working, it is a big inconvenience to that person. But if a bank's transaction register fails, millions of dollars may be lost. Microsoft has no experience in supporting such customers," says Mr Bill Bluestein, senior market analyst at Forrester Research, a market research and consulting group.

Windows NT may also face stiff competition from Unix, the widely-used operating system developed by AT&T and recently acquired by Novell, one of Microsoft's few serious rivals.

Unix supporters dismiss NT as an unknown entity. "NT is like a blind date – you don't know what she is going to look like until she turns up at the door," says Scott McNealy, chairman and chief executive of Sun Microsystems.

Intel's Pentium faces fewer obstacles, but it is not without competition, some of it created by Windows NT. The new Microsoft program will be able to run on microprocessors from Intel's rivals such as Digital Equipment and Intergraph. However, these companies pose little threat to Intel's dominance in the PC market because they do not have the production capacity to make the millions of microprocessors that the PC industry consumes each year.

More challenging are rivals such as AMD that are producing similar versions of Intel's existing products. Already, AMD has claimed more than 50 per cent of the market for 386s, the third generation of Intel microprocessors.

The almost simultaneous introduction of Pentium and Windows NT "is a total coincidence" says Paul Maritz, Microsoft senior vice president. But the two companies did work closely in the development of the products.

Such collaboration has been common since Intel and Microsoft were chosen by IBM to supply microprocessors and software for its original PC more than 10 years ago.

"We have a very large area of common interest. We co-operate very well and our technical people spend a lot of time together," says Maples. "Both companies have a vested interest in the structure of the industry as it exists today," adds Maritz, who worked for five years at Intel before joining Microsoft. "We are both motivated to ensure that it keeps growing."

To this end, they are jointly proposing an industry standard for video display technology which allows the transmission of moving pictures on computer screens.

Yet both Microsoft and Intel have other partners. "The success of Microsoft can't be tied to the success of Intel," Maples says. "If either one of us drops the ball there are others ready to pick it up," agrees Grove.

The partnership is expected to face increasing pressure. "The alliance between Microsoft and Intel is a marriage of convenience," says Roger McNamee. "It has been rewarding to both companies, but the opportunities for Microsoft's interests to diverge from those of Intel are increasing with the introduction of Windows NT. As the focus moves from stand-alone desktop PCs to networks, pressure is mounting for Microsoft to make its systems compatible with multiple [microprocessor] platforms."

Both Intel and Microsoft may also prove vulnerable to the next "technology shift"; the introduction of a radically new technology.

"That is the great danger. We think about it a lot," acknowledges Maritz. One such shift which concerns Microsoft and Intel is the emergence of pocket-sized "personal communicators", devices that combine a PC, a telephone and a facsimile machine in a hand-held device.

"The benefits of compatibility with existing PC standards are not clear in this emerging market," says McNamee. Intel and Microsoft could be followers, rather than leaders, in what many industry analysts are predicting will become a multi-billion dollar market.

Another threat could be "object-oriented technology"; a method of streamlining the lengthy process of writing new software application programs. James Cannavino, IBM senior vice president, predicts that "objects" will sharply increase the productivity of programmers. IBM is in the forefront of this technology through a joint venture with Apple Computer, called Taligent. But Maritz dismisses IBM's claims. "Object-oriented technology is the software industry equivalent of 'Ingredient X' in soap powder," he says.

IBM is also working with Apple and Motorola, the number two US chip maker, on a range of microprocessors that could dislodge Intel's power in the PC sector. But Grove doesn't give the IBM alliance much chance of beating Intel in the microprocessor market. "They are building a new railroad to a different gauge," he says. The value of existing "rolling stock", or software in the computer world, is a big disincentive to change.

Yet the history of the computer industry suggests that technological change will overtake today's industry stars. While "Bill and Andy" hold centre stage in today's IT show, the lead roles have yet to be cast in the next act of this industry drama. There are plenty of emerging players and established acts waiting in the wings for an opportunity to upstage them.

OBSERVER

A yen for altruism

■ The last country either Bill Clinton or Boris Yeltsin probably thinks deserves a good turn from them at the moment is Japan. The US president thinks it should bring down its trade surplus. His Russian counterpart thinks it ought to be less tight-fisted with aid.

So it is a testimony to their altruism that they should be combining to thrust their own nations' money into Japanese pockets at their summit meeting in Vancouver next month – unless their supposedly omniscient advisers have made a boob.

In choosing the Pan-Pacific Hotel as the summit's venue they perhaps didn't twig that, like several more of Vancouver's top hostelries, it is owned by a Japanese group, in this case the Tokyu conglomerate.

Still, all may be forgiven once the two presidents arrive. The hotel sits atop Canada Place, the waterfront convention centre whose giant Teflon sails bear a passing resemblance to the Sydney Opera House. The views over Burrard Inlet and the snow-capped mountains beyond are superb.

The Pan-Pacific is especially proud of its kitchen. Its executive chef was a member of the Canadian team which won last year's Culinary Olympics in Frankfurt. Almost as distinguished is one of the *sous-chefs*, Enrico Balestra, a former opera singer who provides the entertainment at an "Italian Opera Buffet" in one of the restaurants each Friday night.

Clinton and Yeltsin will be spared that treat, however, as the summit doesn't start until the Saturday.

Nipped in the bud

■ What's blighting Britain's budding bankers? Passes in the customer services section of their chartered institute's exams last May came out at a miserable 22 per cent of entrants, despite instructions to markers to look more for good than bad points.

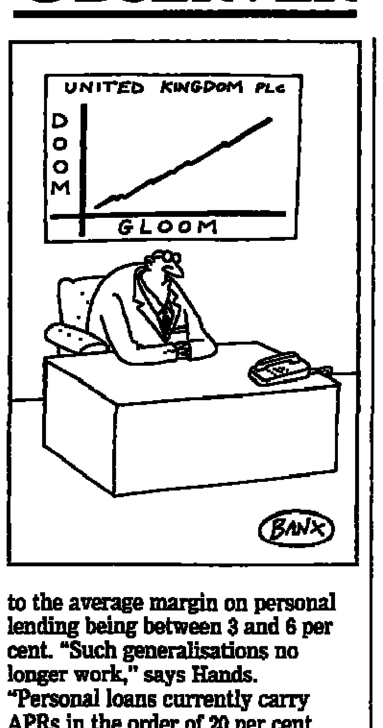
Gobbledegooked answers is the main culprit, suggests the relevant chief examiner Richard Hands, who evidently sees the said lack of clarity as more than an academic problem. "Many complaints concerning bank services stem from a failure to provide an adequate explanation to the customer," he writes in the institute's journal.

But lack of empathy is also at fault, to judge by his hints for future candidates. It is scarcely fitting for bank staff to try to interest newly jobless customers in long-term investments such as pensions, for instance, or to advise them to put part of their redundancy money towards repaying "an existing affordable mortgage".

Particularly not a bank mortgage, one assumes.

Oh…and candidates should not be misled by textbook references to the average margin on personal lending being between 3 and 6 per cent. "Such generalisations no longer work," says Hands. "Personal loans currently carry APRs in the order of 20 per cent against a base rate of, say, 7 per cent. Unauthorised borrowing can be charged at 30 per cent or more!"

The exclamation mark, by the way, is his.



Catch phrase

■ However anxious anyone may be to flatter Italian business contacts nowadays, it would be as well to avoid referring to them as VIPs. With the anti-corruption clampdown in their country, the acronym has come to stand not so much for "very important person", as for *visto in prigione* or "seen in prison."

Time check

■ Race against the clock. That is the message of new statistics for hurried drivers using London's notorious M25 motorway. The Automobile Association says that of the 403 serious delays on the orbital road last year, the majority were on the clockwise carriageway.

Mind you, the benefit of travelling in the other direction is scarcely compelling. The clockwise ring had 206 hold-ups, one for every 1,017 yards of its 119 miles. The opposite carriageway had 197, one for every 1,063 yards or, in terms of delay-free distance, an extra 139ft 4in.

Obverse side

■ Premier Major's new found concern that honours should go only to those who patently deserve them is shared by many South Americans. Having noted Argentinian president Carlos Menem's decoration of Chile's Augusto Pinochet, they are puzzled by what the Chilean general has done to merit the award.

After all, Pinochet is most memorably linked with Argentina as Chile's president when the two countries almost went to war over territorial disputes in the 1970s. Moreover, he has scarcely earned democrats' plaudits in later years.

Before stepping down as dictator, he ensured he would stay probably the only head of a country's armed forces who is not even nominally under presidential control. As such, he has been a constant thorn in the flesh of his democratically elected successor Patricio Aylwin.

But that perhaps solves the puzzle, for when Chile's present president handed a gong to the former Argentinian president Raúl Alfonsin, the recipient's main political enemy Carlos Menem was sore miffed. So the latest award may be less to honour Pinochet than to spite Aylwin.

Translated

■ Although their hearts swelled with pride, the cricket-loving British accountants visiting the test match in India could hardly believe their ears.

As representatives of CIMA, the 33,000-strong Chartered Institute of Management Accountants, they knew that its Indian membership was only about 250. But as they took their seats, with the home eleven already out on the field, the whole arena rose and began shouting "CIMA…CIMA…"

Then the penny dropped. Not wanting a spinner to open the bowling, the crowd was demanding a seamer.

FINANCIAL TIMES
Monday March 8 1993

Van Miert plan threatens EC support for ailing west European industry

Italy's steel subsidy in jeopardy

By Andrew Hill in Brussels

MR Karel van Miert, European Community competition commissioner, is to press his demands today to outlaw L650bn (£286m) of state subsidies to Ilva, Italy's lossmaking state steel company.

But some of his colleagues fear such an action could provoke a political backlash from the Italian authorities and threaten EC plans to support the ailing west European steel industry.

Senior aides to the 17 commissioners will today discuss whether Mr Van Miert's proposals should be put on the agenda at tomorrow's full meeting of the European Commission.

At a special council of EC industry ministers 10 days ago Italy's Mr Giuseppe Guarino said Rome would oppose the Community-wide steel plan if the Commission did not back Ilva's L650bn recapitalisation. An Italian diplomat warned that outlawing the aid package "could detonate a bigger problem".

Some Commission officials have serious doubts about the timing of the commissioner's move. One official said last week he thought discussion of the move would be deferred so as not to interfere with deliberations on the overall steel rescue plan.

But Mr Van Miert, who has made clear that EC state aid rules will not be relaxed for the steel industry, seems determined to call the bluff of the Italian authorities. He wants Rome to recover L350bn already paid to the lossmaking steelmaker in the form of a capital increase, and freeze plans to pay a second tranche of L300bn.

Italy has written to the commissioner urging him to delay a decision on the subsidies until the Italian authorities have prepared a new restructuring plan. This scheme, which Ilva says will be submitted by the end of next month, will take into account the first impressions of Mr Hayao Nakamura, the group's new Japanese managing director.

Mr Van Miert wants to discourage a damaging race by EC governments to subsidise their national industries.

He believes Brussels should renew pressure on the Spanish government, which is seeking approval for a controversial aid package for its steel industry. He has been deterred from submitting formal proposals on Spanish steel, to avoid provoking Madrid.

This is not the first time Rome has tried to delay an EC decision on subsidies. Last July Mr Guarino wrote to Mr Van Miert's predecessor, Sir Leon Brittan, urging him, unsuccessfully, not to start a formal investigation into the state aid programme.

Barclays' chief will dilute his powers

By John Gapper, Banking Correspondent, in London

MR Andrew Buxton, chairman and chief executive of Barclays Bank, one of the largest in the UK, yesterday responded to investors' criticism of the bank's top management by promising that "a significant part" of his responsibilities would be passed to a new senior executive this year.

Mr Buxton, whose bank last week reported a £242m ($344m) pre-tax loss and halved its final dividend, acknowledged that he bore a share of the blame for a rapid growth in property and construction lending in the late 1980s which contributed to bad debt provisions of £2.5bn for 1992.

He told the Financial Times he accepted that shareholders had worries about Barclays' management, but believed these were not overwhelming.

"I acknowledge that some shareholders are concerned, but I have not got the impression that they want to fire the whole of the management team," he said.

Mr Buxton's remarks follow expressions of discontent from fund managers holding about 15 per cent of the bank's shares over the quality of its management. Some investors believe that Mr Buxton, who was appointed managing director of the bank in May 1988, should resign.

Mr Buxton, who was appointed chairman in January, said the bank was considering appointing either an outsider or one of its existing senior executives to a new senior post. This might not carry the title of chief executive, but whoever was appointed would have to be seen clearly to be taking over broad responsibilities.

"There is no point in bringing someone in from outside, or appointing someone from within, who did not take a significant part of my responsibilities away from me," said Mr Buxton, who is to hold a series of meetings with large shareholders over the next two weeks.

Andrew Buxton: acknowledges that some shareholders are concerned

Mr Buxton said the bank's interim dividend of 9.15p was likely to be reduced this year, but only as part of a "realignment" of the new annual dividend of 15.15p. He said the bank was convinced that the new level of its annual dividend, cut by 28 per cent from 21.15p, was sustainable.

Although most institutions appear to favour the bank bringing in a new chief executive from outside, there has been concern that the appointment of an outsider could lead to senior figures such as Sir Peter Middleton, the deputy chairman, leaving because their responsibilities would be reduced.

Mr Buxton said he was "working closely" with Sir Peter and Mr Alastair Robinson, the head of the banking division and an executive vice-chairman, to ensure that no member of the existing senior management team was surprised or offended by whatever change took place.

He did not believe he was in danger of losing executives such as Mr David Band, chief executive at BZW, Barclay's investment banking arm. "That is not my impression of their mood. If I suddenly jumped something on them without consulting them, I am sure they would be extremely upset, but I am not going to do that," he said.

He added that bad debts from the 1980s should not overshadow an 18.4 per cent rise in operating profits in 1992. "The management team has performed pretty well if you look back at the past two years. Our decisions have been constructive and good for shareholders."

Called to account, Page 16

Tokyo may adopt new approach to trade

By Charles Leadbeater

JAPAN plans to adopt a new approach to trade policy with the US, based on the application of formal rules and procedures for settling trade disputes rather than political negotiation, according to Japan's top trade negotiator.

Mr Noboru Hatakeyama said Japan wanted a rule-governed approach, to eliminate emotion and politics in settling trade disputes. "We have given a lot of consideration to US industry; we accepted their request to come up with an import goal for semiconductors. From now on, we want a trade policy governed by rules set by Gatt. That will eliminate the emotional aspects of the game and help to prevent trade frictions spilling over to affect other aspects of our relations."

Gatt would play a central role in setting the standards for the policy, Mr Hatakeyama added. Trade pacts would have to be Gatt-compatible and more trade complaints would be referred to Gatt for adjudication, he indicated. The policy had been developing since the decision last year to appeal to Gatt over the EC's anti-dumping action against Japanese electronics, he said. Japan had a strong track record of upholding Gatt accords.

It led the way on reducing tariffs on manufactured goods and its average import tariff was 2.5 per cent, against 5.6 per cent for the EC and 5.5 per cent for the US. Japan had last year been rebuffed by the EC and the US when it had tried to contribute to Gatt talks to reduce agricultural subsidies. Japan would take a more active approach to the stalled Uruguay Round.

"People said we were hiding behind the US and the EC, but whenever we tried to negotiate they asked us to wait until they were ready. We were too ready to accept that rejection. Next time we will be more disciplined and make sure we come first."

Kanemaru quizzed, Page 6

BT to seek approval for services in US

By Alan Cane in London

BRITISH TELECOM is planning this week to apply to the US regulatory authorities for permission to operate domestic and international telephone services in the US.

If approval is given, it will clear the way for BT to become the first international telecommunications "one-stop shop", offering multinational customers a broad range of voice, data and video services between the US and the UK.

The application is expected to face stiff opposition from BT's US competitors, AT&T, Sprint and MCI, who are likely to argue that US carriers do not enjoy a similar freedom to operate in the UK, according to the journal CommunicationsWeek International in an analysis published today.

The outcome of BT's application will therefore depend on discussions over reciprocal market access between the US Federal Communications Commission and Britain's Department of Trade and Industry. Talks between the two agencies have been going on for some time but the outcome remains unclear.

The advantage to customers of one-stop shopping for international telecommunications lies in dealing with a single organisation for network management and billing, in contrast to the multiple regulatory and billing organisations a company has to deal with now. BT's large customers could expect substantial discounts on their telecommunications bills as a result, Mr Bond said.

BT's request for a common carrier licence in the US is a key part of its plans to be one of a handful of global "supercarriers" by 2000. Access to the US market is essential to the success of its billion dollar-plus plan to build a global network offering multinational customers a wide range of services including the transmission of data and image made possible by new technology.

Codenamed "Cyclone" within the organisation, the BT plan involves the establishment of new switching centres in some 20 international cities to handle the volume of traffic. For this it will need the agreement of national authorities in each country.

Italian opposition angered by decrees on illegal funding

Continued from Page 1

standing of decree laws.

However, the measures, put forward to minimise the disruption to public life caused by almost daily disclosures of kickbacks and illegal party funding, were strongly defended by Mr Giuliano Amato, prime minister, and Mr Giovanni Conso, justice minister, who drafted them.

Both men denied the plans were designed to muzzle the investigations, which have so far led to the arrest of more than 100 politicians, businessmen and party officials.

Mr Conso said the measures, which would no longer make illegal party funding a criminal offence, were a tough response to the problems raised by the inquiries and not an attempt to duck "the moral question".

Meanwhile, it was disclosed yesterday that Mr Giovanni Prandini, former minister of public works, is under investigation for alleged irregularities in contracts linked to a motorway expansion.

Three other MPs – two Christian Democrats and a Socialist – were also told they could face prosecution after inquiries into contracts in Verona.

World Weather

		°C	°F			°C	°F
Ajaccio	S	13	55	Boulogne	C	8	46
Algiers	S	17	63	Brussels	C	5	41
Amsterdam	C	6	43	Budapest	F	3	37
Athens	S	8	46	Buenos Aires	R	25	77
Bahrain	C	26	79	Cairo	S	19	66
Bangkok	F	34	93	Cape Town	S	27	81
Barcelona	S	13	55	Caracas	F	30	86
Beijing	F	8	46	Casablanca †	C	15	59
Beirut	R	15	59	Chicago †	F	1	34
Belfast	C	6	43	Cologne	C	6	43
Belgrade	S	0	32	Copenhagen	S	4	39
Berlin	F	6	43	Corfu	S	9	48
Bermuda	S	18	64	Dallas †	S	7	45
Bombay	S	35	95	Dublin	C	7	45
Bordeaux	S	12	54	Dubrovnik	S	16	60
				Edinburgh	C	6	43
				Faro	F	14	57
				Florence	S	11	52

		°C	°F			°C	°F
Frankfurt	C	8	46	Majorca	S	16	61
Geneva	S	9	48	Malaga	S	16	61
Gibraltar	F	14	57	Malta	F	13	55
Glasgow	Dr	6	43	Manila	C	33	91
Helsinki	Sn	-2	28	Melbourne	F	21	70
Hong Kong	S	23	73	Mexico City	C	23	73
Innsbruck	Sn	1	34	Miami †	S	17	63
Inverness	S	9	48	Milan	S	9	48
Islamabad	C	23	73	Montreal †	Sn	-7	19
Istanbul	F	1	34	Moscow	F	-4	25
Jakarta	C	32	90	Munich	C	3	37
Johannesburg	S	24	75	Nairobi		–	–
Lisbon	F	10	50	Naples	F	12	54
London	C	8	46	Nassau	C	26	78
Los Angeles †	S	16	61	New Delhi	S	26	77
Luxembourg	C	5	41	New York †	S	2	36
Madeira	F	18	64	Nice	S	14	57
Madrid	S	13	55	Nicosia	S	15	59

		°C	°F			°C	°F
Oporto	S	17	63	Tenerife	S	20	68
Oslo	S	3	37	Tokyo	C	16	61
Paris	C	7	45	Toronto †	S	-8	18
Prague	C	2	36	Tunis	F	14	57
Reykjavik	C	-3	27	Valencia	S	18	64
Rhodes	F	10	50	Venice	S	8	46
Rio d'Janeiro	F	34	93	Vienna	C	3	37
Rome	S	12	54	Warsaw	C	-2	28
Salzburg	Sn	1	34	Washington †	S	-1	30
S'Francisco †	S	11	52	Zurich	C	4	39
Seoul	C	7	45				
Singapore		–	–				
Stockholm	C	-1	30				
Strasbourg	R	6	43				
Sydney	F	24	75				
Taipei	C	20	68				
Tangier	F	14	57				
Tel Aviv	F	16	61				

Temperatures at midday yesterday
† Noon GMT temperatures
C – Cloudy Dr – Drizzle
F – Fair Fg – Fog H – Hail
R – Rain S – Sunny
Sl – Sleet Sn – Snow
T – Thunder

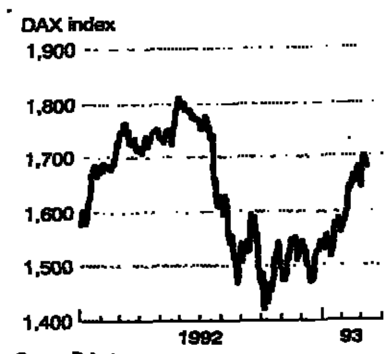
THE LEX COLUMN

Advance credit

In its determination to act independently, the Bundesbank is toying with the markets' emotions. The failure to cut official rates on Thursday distanced the German central bank from the G7 meeting, and reflected caution about stubborn domestic inflation. Friday's easing of money market rates indicated justified concern about rapidly falling domestic output, as this week's appalling results from the German chemical giants will confirm.

To be fair to the Bundesbank, conflicting economic signals and demands of other EC members mean that it has had to tread a very careful path. It is also keen to squeeze a credible fiscal package from Chancellor Kohl and the Länder. Fortunately, there are signs that inflation is being squeezed. Bank workers have accepted a 3.3 per cent wage settlement, and companies seem finally to understand the need to cut costs. The much-heralded secular decline in interest rates may soon be under way.

If short rates are about to fall, one might expect bond yields and equities to follow. However, at 6.5 per cent bond yields are already 2 per cent lower than those on bank deposits, so there is very limited room for further falls. In the past German equities have not rallied until short rates fell below bond yields. This time, however, foreign buyers have stepped in to anticipate the rise. That may be premature given Germany's deep-seated economic problems. Exports might possibly provide higher earnings if overseas growth ignites. But the bias towards late cycle heavy capital goods in the German market tells against it.



Source: Datastream

Textiles

One of the clearest beneficiaries of sterling's devaluation has been the UK's threadbare textiles industry. Having long been worn down by the heavy pound, the industry's competitive outlook was transformed by Black Wednesday. The market has been quick to appreciate the benefits. Textile company shares have shot up by 40 per cent since then and stand at a 25 per cent premium to the market.

Having moved so far so fast, the textile sector is beginning to slow down. A two-way pull is now developing. It is easy to put together a scenario suggesting there should be further gains as the UK recovery gathers pace. A sustained upturn in consumer demand would allow retailers to pass on imported inflation permitting an easing of pricing pressures on domestic suppliers. Margins would recover even if volumes did not rise that sharply. Higher exports and translation of overseas sales would further flatter earnings.

The trouble is that the market is already taking this as read. The four leading textiles companies are trading on fat premiums. They account for almost three-quarters of the sector's £3.4bn capitalisation with few undervalued second line companies to chase. Overseas earnings may also prove elusive if, as Courtaulds Textiles suggested last week, continental European retailers continue their severe destocking. Investors may be loath to abandon a cyclical sector at this stage in the game but there are few temptations to buy.

UK accounting

The definition of company earnings proposed by the Institute of Investment Management and Research last week is unlikely to limit the confusion caused by the new UK accounting standards. Its calculation of "headline" earnings differs from alternatives favoured by City firms. The IIMR includes major restructuring costs in headline earnings, for example, even though such costs are unlikely to recur. The definition favoured by BZW excludes such costs on the grounds that the expenditure is something akin to a one-off capital item.

In many cases either approach will come up with the same result. But without consensus on such issues investors will be confronted by a plethora of conflicting earnings figures, notably in cases where companies are in a period of change and consistency matters most. It would be helpful if one side or other could fall into line. That said, the idea of requiring companies to disclose IIMR earnings as a condition of listing could be counter-productive.

Companies are already required to disclose earnings according to FRS 3; the new accounting standard which virtually abolishes extraordinary items. The standard also allows companies to present an earnings figure of their own. An institutionalised IIMR earnings figure would add a third "official" measure. The Accounting Standards Board is right to argue that no single measure of company performance is adequate. But three alternative earnings figures – with variations put forward by City firms – can hardly be what it had in mind.

Estate agents

When like Gadarene swine, financial services companies rushed into estate agency businesses in the late 1980s, the widely held view ran: nice theory, shame about the timing. Urged on by the demons of deregulation, insurance companies and mortgage lenders alike viewed estate agencies as useful distribution channels for related financial services products. But the theory remained unproven as the recession wrecked the experiment.

However, the incipient recovery in the housing market is reviving the argument. Hambro Countrywide and Royal Insurance continue to believe in estate agencies as effective distribution vehicles. Having survived the worst, such businesses should now reap the rewards. Estate agencies should return to profit as housing transactions pick up. A 10 per cent rise in volume would transform their economics. Some optimists even suggest a 25 per cent increase this year. Any recovery in house prices would be an added bonus.

On this basis Abbey National would have done better to wait before putting its chain on the market. But there would be no guarantee of a higher price down the road. The industry's barriers to entry remain low. Any revival in the housing business will see the competition multiply in a way that may hurt the big chains. Successful estate agencies tend to be entrepreneurial free-wheeling enterprises. That fits badly with the centralised mentality of financial service organisations. The Prudential concluded that the contradictions were too great and abandoned the whole attempt. Its early retreat was certainly expensive. It may end up looking prudent.

FINANCIAL TIMES
COMPANIES & MARKETS
Monday March 8 1993

INSIDE

Time Products buys Leiber handbags

Time Products, the UK watch and jewellery distributor, has paid $17m for the business of Judith Leiber, an American who designs luxury handbags for the international jet-set. Hollywood stars are among customers prepared to pay several thousand dollars for a handbag made by Mrs Leiber, 72, who started her business 30 years ago in New York. A designer bag presented to Mrs Barbara Bush was valued at $1,245. It showed a likeness of Millie, the presidential couple's pet. Page 16

Decision time at Banesto

On Friday Banesto, Spain's third largest bank, announced it had sold its biggest banking subsidiary, Banco de Madrid, to Deutsche Bank for Pta42bn ($365m). Mr Mario Conde (left), chairman of Spain's third largest bank, must now decide what to do with the profit of Pta30bn. Page 17

First Data sale raises $1.2bn

American Express, the US financial services group is planning to sell more than half its majority stake in First Data Corporation. The disposal could bring some $1.2bn into American Express which suffered a painful profits setback last year. Page 17

Markets hail German rate cut

When the Bundesbank announced a 24-basis point cut in its 14-day repurchase agreement, the move was taken by the markets as final confirmation that it is embarked on a steady course of substantial cuts in short-term interest rates. Page 18

Prospective p/e ratio

The latest prospective p/e ratio for the "500" index for calendar 1993 is 14.4 according to IBES, the consensus estimates service (Last week: 14.2). This compares with an IBES estimated p/e for the "500" of 17.7 (17.4) for calendar 1992. The official FT calculation of the historic p/e, based on the latest reported earnings, is 18.14 (17.74).

Market Statistics

Companies in this issue

FDA says Glaxo made misleading claims

By Paul Abrahams in London

GLAXO, Europe's biggest drugs group, has been accused by the US Food and Drug Administration of making false and misleading statements about Zantac, the world's best-selling medicine with annual sales of about £2bn ($2.84bn).

The FDA says the company "frequently suggests unapproved uses for Zantac and consistently makes comparative efficacy and safety claims that are not supported by adequate data". It has asked Glaxo to write to all US doctors correcting the statements.

The agency says Glaxo made misleading statements about the safety of Zantac, an ulcer treatment, compared with other drugs in its class, notably SmithKline Beecham's Tagamet and Merck's Pepcid. It also says Glaxo made unsubstantiated claims about the drug's effectiveness. The drug represents 45 per cent of Glaxo's turnover. Analysts believe annual US sales are about $1.4bn.

Last month, Glaxo Inc, the UK group's American arm, said it disagreed with most of the FDA's claims. Dr Ernest Mario, the UK company's chief executive, said he would be surprised if the company had to send out a letter to US practitioners.

At that time, Dr Mario said he believed the move had been instigated by Glaxo's competitors. Zantac's sales during the six months to December 31 increased 14 per cent to £1.033bn.

However, Glaxo Inc yesterday said it had met the FDA and was co-operating with the agency in the hope of settling the issue soon. Meanwhile it has complied with a request for the company to stop all aspects of its advertising and promotional activities that contain the contested claims. The company refused to confirm whether it would send the doctors' letter.

Glaxo denied there was any serious risk of Zantac being withdrawn from the US. It said: "We do not believe there is anything in this situation that cannot be settled in our discussions with the FDA and will keep this product from being available to US patients. The safety and effectiveness of Zantac have not been called into question."

It is not unusual for the FDA to oblige drugs companies to send letters to practitioners. Last week, Marion Merrell Dow, the US group, sent a letter about false and misleading statements about its anti-ulcer treatment Carafate.

Tracy Corrigan and Richard Waters on management moves at the investment bank

Changes in store as CSFB aims to stay in front

BEHIND the assurances of continuity, changes are afoot at Credit Suisse First Boston, following the announcement last week that Mr David Mulford, the former US Treasury official and erstwhile investment banker, is to replace Mr Hans-Jörg Rudloff as head of the London-based investment bank.

CSFB is one of the institutions most closely associated with the growth of international financial markets in London in the 1980s, and Mr Rudloff, a highly visible figure in those markets, has been almost synonymous with CSFB.

The nature of Mr Rudloff's departure has provoked speculation about what lies in store for the bank he shaped. Mr Rudloff, whose appointment emerged at a board meeting in Zurich on Wednesday, hinted enigmatically: "You can never pre-judge a board in Switzerland."

In a recent interview in the magazine Euromoney, Mr Rudloff, asked if another career awaited him, replied: "Perhaps. But there is still so much to build here."

He is to join the board of CS Holding, the majority shareholder of the CS First Boston group, which includes CSFB and its two sister companies. CS Holding reported net earnings of SFr534m ($346m) in the first half to September 1992.

"This is a transition that was planned – though the timing was not planned," said Mr Mulford adding that it was Mr Rudloff himself who had precipitated the timing of the change.

Mr Mulford had arrived in London only the day before the announcement, from an assignment in Latin America, and admitted to not being fully briefed yet on the operations of the firm he had just taken over, but his early comments will do nothing to dispel the impression that changes lie ahead.

The old rivalries remain between the three arms of the group, First Boston in the US, CSFB in Europe and CS First Boston Pacific in Asia, despite a move to bring them all together in 1988 under a common holding company, CS First Boston.

"The period of separateness is clearly over, but it does take time for the culture to change," says Mulford. He believes he will "provide leadership in accelerating the global integration of investment banking [at CSFB], which still has some way to go".

There is also a desire to develop CSFB beyond its base as a Euromarkets firm. Mr Mulford refers to a shift from CSFB's core fixed-income underwriting business as a process already underway. He says he "wants to maintain the leadership position" of CSFB in the traditional fixed income business, but "there is also growing global investment banking business, which is more diverse. This firm has to broaden the scope of its investment banking business".

This view is shaped by his belief that, during his years away from the industry, the process of "globalisation" has transformed financial markets, as borders between markets were removed. Mr Mulford has a mandate to develop business in Latin America, where his contacts are excellent (he was the US Treasury's negotiator on the Brady plan). He also has a keen interest in eastern Europe (where CSFB has been one of very few active banks) and the former Soviet Union. He says he joined CS First Boston because he believed it to be the most international of banking groups.

"That [global] business is marketed and managed differently from a traditional Euromarket fixed income business. It is ... much more complex."

Some observers see the appointment as a victory for the US arm of the business: Mr Mulford was brought in last November as vice-chairman of First Boston in the US. A more integrated firm, they think, will effectively be governed from the US, where the holding company for the three units is based.

"CSFB used to be a very independent, locally-focused firm," said one former employee. "That is going to change."

The appointment follows a bad year for CSFB in 1992, when profits slumped, and the US arm of the firm was the main contributor to the group, reversing the trend of the last few years.

Management changes elsewhere in the CS First Boston group last week add to the impression that disparate businesses are being pulled closer together. Mr Bob Diamond, who had been in charge of the Asian unit, was moved to New York to run bond trading in the US and Asia.

This move towards specialisation – which most other US-based investment banks have already made – raises a question over the position of Mr Allen Wheat, who runs the firm's derivatives unit and only last year was made head of trading in London. He had been widely tipped to succeed Mr Rudloff. Last week's announcement left it unclear if he would now report to Mr Diamond.

Mr Mulford said: "Allen is a very, very important figure, both here and in the group." But the appointment of Mr Mulford, passing over Mr Wheat, casts doubt over the stability of the firm's senior management.

"Basically, CSFB has been split in two," says one insider, meaning that the investment banking side will operate under Mr Mulford, while Mr Wheat will run trading operations in London.

The appointment of Mr Mulford is undoubtedly the greatest upheaval since the restructuring of the group under a new holding company in 1988.

"I haven't come here to change things," protests Mr Mulford. But change seems to be on the way, nevertheless.

Tony Andrews

David Mulford: 'This firm has to broaden the scope of its investment banking business'

Thomas Cook may tender for Owners

By Richard Gourlay in London

THOMAS Cook, the travel agency and financial services group, was last night considering the final details of a tender offer for shares in Owners Abroad, the tour company fighting a hostile bid from rival Airtours.

Representatives of Owners Abroad were meeting Thomas Cook and its advisers to decide pricing and the size of the tender, according to sources close to the companies.

Any cash tender could put a substantial obstacle in the way of Airtours' all share and partial cash alternative offers as the bid enters its last full week.

A tender offer, which could be as early as today or tomorrow and would have to be made this week, is likely to be made dependent on shareholders rejecting Airtours offer. At Friday night's close, the bid values Owners Abroad at £290m, or 144p per share, through the paper offer.

The tender offer would need the approval of Westdeutsche Landesbank, the German state bank that controls Thomas Cook, and LTU, the German travel agency.

Once Airtours had launched its bid, Owners shareholders were almost unanimous in describing as inadequate the equity swap which underpinned the commercial transaction with Thomas Cook.

If Thomas Cook does make a tender offer, Owners Abroad's largest shareholder, Mercury Asset Management, may take centre stage. Last week MAM increased its stake in Owners Abroad to 14.07 per cent, from 13.4 per cent, but gave no indication whether it would accept or reject the offers.

Reacting to the possibility of a tender offer, Mr David Crossland, Airtours chairman, said Thomas Cook should bid for all the stock.

"LTU and Thomas Cook have tried to get into Thomas Cook on the cheap once before," he said. "Shareholders will recognise this for what it is – a wrecking move supported by a desperate board."

In judging where, or whether, to pitch a tender offer, Thomas Cook would have to consider that if the offer were too high, allocation of shares would be scaled down.

They would also be aware that some institutions are unlikely to be happy being left with shares that no longer attracted a bid premium.

A question mark over the UK's future prosperity

Economics Notebook
By Peter Norman

WITH UK economic recovery apparently on the horizon, the big question now is whether Britain has capacity to exploit the opportunities ahead.

Past experience and common sense suggest that a recession stretching over two and a half years will have destroyed a great deal of productive capacity, especially in manufacturing industry.

That was certainly the case in the recession of 1979-81 when huge steel and engineering plants were shut, demolished, and eventually replaced by out-of-town shopping malls such as Merry Hill in the West Midlands and Meadowhall near Sheffield. The widespread fear is that the same process has been under way since 1990 and that this will limit the scope for recovery.

But how valid are such concerns? A general impression, garnered from anecdotal evidence, is that this recession has not been accompanied by a massive scrapping of manufacturing capacity.

Another encouraging sign is the strength of profit margins. In its recent quarterly inflation report, the Bank of England reported that profit margins from non-North Sea activities have fallen far less in this recession than in those of the early 1980s or the mid-1970s.

However, it is very difficult to estimate how much capacity has been lost or to measure the gap that has emerged between actual and potential output in the economy as a whole. Although this "output gap" is vitally important for assessing the nation's capacity to grow out of the recession without running into inflationary bottlenecks, statistical deficiencies mean that nobody has a clear idea of its size. The Bank of England's inflation report included estimates that the gap could be around 7 per cent or 3 per cent, but the Bank made no judgment as to which was nearer the truth.

In the case of manufacturing, however, economists at Kleinwort Benson, the UK investment bank, suggest industry has come through the recession in "surprisingly good shape" and the destruction of capacity has been far less than between 1979 and 1981.

Two Kleinwort economists, Mr Peter Spencer and Mr Leo Doyle, have looked at Central Statistical Office estimates of manufacturing industry's capital stock and evidence on below-capacity working from the quarterly Confederation of British Industry industrial trends surveys. They conclude that the recession has not yet seriously reduced industry's productive capacity.

Their view is broadly endorsed by Mr Andrew Sentance, the CBI's director of economics and one of the seven-man panel of independent forecasters set up by the Treasury to advise Mr Norman Lamont, the chancellor. According to Mr Sentance, manufacturing capacity has declined slightly from its peak in 1990 but is about a fifth higher than at its post-recession trough in 1982.

However, Mr Sentance points out such growth hardly constitutes good news. Business investment grew too slowly in the 1980s because an excessive portion of resources went to consumption. "In the 1980s, the UK devoted a larger share of gross domestic product to public consumption than any other Group of Seven country and the proportion devoted to private consumption was the second highest after the United States," he says.

The UK's lagging investment performance has also been a matter of concern for Professor Douglas McWilliams, a former CBI economic adviser and chief executive of the Centre for Economics and Business Research (CEBR), an economic consultancy. He says that UK manufacturing capacity has grown by only 20.5 per cent since 1970. Although it grew at an annual rate of 3.5 per cent from 1984 to 1991, this relatively strong growth failed to offset the deterioration relative to other countries that had taken place earlier.

While UK manufacturing capacity grew by 19 per cent between 1970 and 1990, it increased by a total 43 per cent in Germany, France and Italy combined, by 86 per cent the US, and by 129 per cent in Japan. Between 1980 to 1990, the picture was slightly more encouraging. UK manufacturing capacity grew by 7 per cent compared with just 1 per cent in the continental "big three" countries, but lagged the US and Japan where capacity grew by 32 per cent and 39 per cent respectively.

So much for the bad news. Official figures suggest that UK investment is now picking up after a sharp fall of 9.4 per cent between 1990 and 1991 and a 3.5 per cent decline between 1991 and 1992. Capital spending by manufacturers on buildings, vehicles and machinery rose by a real, inflation-adjusted 3.1 per cent in the final six months of 1992 compared with the first half of that year and has now risen for three quarters in succession.

Such an upward trend in investment is unprecedented in a recession and when CBI surveys say that about 70 per cent of companies are working below capacity. It should add to confidence about Britain's capacity for recovery.

But the investment upturn may also reflect special factors. A CEBR study published last week showed that nearly one-fifth of the £220bn ($312bn) invested in British industry since 1987 had come from abroad. Some of this flow may start to tail off, particularly if the Japanese car industry has to address problems at home.

The accelerating pace of technological change may also explain why investment now appears to be leading rather than lagging the business cycle.

Mr David Owen, another of Kleinwort's economics team, suggests that spending on information technology may be behind the investment surge. A similar pattern of strongly rising investment in weak economic conditions was visible in the US in 1991 and 1992, reflecting the need of companies there to restructure and shrink and acquire the latest technology to compete successfully.

Spending on rationalisation may not add significantly to growth. Indeed, the UK may simply be replacing the wrong sort of capacity with more efficient and up-to-date equipment.

While such investment is clearly better than none at all, the danger is that Britain will still be left with a small and efficient manufacturing sector that is too small for the nation's future prosperity.

Revenues from MTV Europe at $60m a year

By Raymond Snoddy in London

MTV Europe, the London-based satellite rock music channel, is now producing revenues at the rate of $60m-$70m a year, according to Mr Frank Biondi, president and chief executive of Viacom, which owns MTV Europe.

Until now MTV has declined to give any financial numbers for its European television network which is available in 43m homes in 32 countries.

"MTV Europe's revenues have been increasing at 70 to 80 per cent a year although it will be tough to keep that up", Mr Biondi said. The revenue figures are at least double that suspected by analysts.

"We [MTV Europe] will be available in 50m homes by the end of this calendar year," Mr Biondi forecast. He stuck to a previous formula to describe MTV Europe's profits. "It is marginally profitable." In fact all the signs are that the company is being conservative in its public statements and after 5¼ years on air MTV Europe is comfortably profitable.

Viacom recently announced that it was bringing its American children's channel Nickelodeon to the UK in a joint venture with British Sky Broadcasting. Mr Biondi said the aim was to take Nickelodeon to other European countries through joint ventures with local partners.

MTV, available in more than 200m homes worldwide, plans to launch a service for Latin America in October. The 24-hour channel will be for Spanish speakers in the US and central and south America.

Time Products in $17m luxury handbags buy

By Andrew Bolger

TIME PRODUCTS, the UK watch and jewellery distributor, has paid $17m (£11.9m) for the business of Judith Leiber, an American who designs luxury handbags for the international jet-set.

Hollywood stars are among customers prepared to pay several thousand dollars for a handbag made by Mrs Leiber, 72, who started her business 30 years ago in New York.

A designer bag presented to Mrs Barbara Bush was valued at $1,245. It showed a likeness of Millie, the presidential couple's pet dog.

Mrs Leiber will continue to run her company, which distributes only through exclusive department stores and jewellers. Time Products has distributed her handbags in the UK since 1991.

The UK company said the handbags had not been actively marketed outside North America, and there was therefore potential for developing the brand worldwide.

There was scope for applying the name to merchandise other than handbags, putting a broader range of products through the same tightly-targeted distribution network.

Time Products also announced that it had paid £2m for a 5 per cent stake in Audemars Piguet, the Swiss watchmaker which specialises in highly technical and luxurious timepieces.

Mr Marcus Margulies, chairman of Time Products, said: "Judith Leiber is one of the most highly-prized brands in North America and we are delighted to have secured it, while our relationship with Audemars Piguet will be strengthened by our investment."

The Leiber business made pre-tax profits of $1m, after directors' remunerations, on sales of $15m in the year to December 31. It had net assets at that date of $5.1m.

Even after completing these acquisitions, Time Products has net cash of more than £10m.

Etonbrook meeting called

By Andrew Bolger

Mr Andrew Perloff, the rebel shareholder in Etonbrook, has requisitioned an extraordinary general meeting of the property development company, in another attempt to join the board and remove all of its existing directors.

Mr Perloff and the three companies acting with him own 20 per cent of Etonbrook. He has twice failed to win a seat on the board but thwarted a proposed capital restructuring at an EGM in September.

In January the former BES company blamed a drop in its interim pre-tax profits from £300,000 to £74,000 on costs incurred in fighting a tender offer from Mr Berloff, which would have increased his stake to just under 30 per cent.

Unipart extends Jaguar link

By John Griffiths

Jaguar Cars has signed an agreement extending for 10 years a contract under which Unipart, the motor components manufacturer and distributor, manages Jaguar's worldwide parts operations.

The contract is expected to be worth more than £500m over its 10-year life.

At the beginning of last year Unipart took over worldwide parts distribution for Rover Group's Land Rover and Range Rover vehicles, adding £100m a year to its turnover.

The Land Rover business was a significant contributor to Unipart's record £19.8m profits in 1992 - a 28.5 per cent rise. It has controlled Rover's car parts distribution ever since privatisation.

Rothmans forms £55m joint venture in Russia

By Philip Rawstorne

ROTHMANS International is to invest £55m in a cigarette manufacturing joint venture with Nevo Tobacco, a privately-owned tobacco company in St Petersburg, Russia.

The deal marks Rothmans' first capital investment in central and eastern Europe, though it has licensing arrangements in Poland and the former Yugoslavia.

Rothmans will acquire a 75 per cent shareholding in the venture, to be called Rothmans Nevo, and will build a new cigarette factory in St Petersburg.

The factory, with an output of 10bn cigarettes a year, is expected to begin production in mid-1995.

The UK company's £55m investment will be phased over several years and will cover construction costs and the supply of plant and equipment.

Lord Swaythling, Rothmans' chairman, said: "This venture is a major long-term initiative with a view to capitalising on the opportunity that Russia represents as one of the largest potential consumer markets in the world".

Russia, with a market estimated at 443bn cigarettes a year, has already attracted large-scale investment from other tobacco multinationals.

London Share Service classification changes

A series of changes to the classifications of companies listed on the London Stock Exchange was made at the last quarterly meeting of the FT-SE Actuaries Industry Classification Committee.

As a result, the following stocks will be moved to new categories in the London Share Service with effect from April 1 1993:

Black & Edgington to Business Services (41) from Engineering - General (7); Svenska Cellulosa (SCA) to Packaging, Paper & Printing (31) from Chemicals (42).

Called to account for past practices

Andrew Buxton of Barclays Bank faces a most testing time. John Gapper reports

THE NEXT two weeks will probably be the most testing of Mr Andrew Buxton's career. After becoming chairman and chief executive of Barclays Bank in January, just in time to announce the first pre-tax loss in the bank's 96 year history, he faces a wave of doubt over whether he should stay in either job. His future will depend on meetings with shareholders around the country which start this week.

Mr Buxton yesterday indicated the outline of the arguments he intends to put. That he accepts some blame for the past when he was managing director under Sir John Quinton in the late 1980s. That under his leadership the bank has improved its operating performance, and will continue to do so. And that he will hand over a significant part his responsibilities to a new senior executive this year.

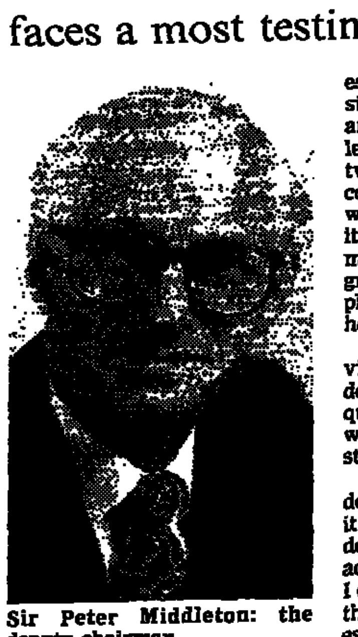
None of this is likely to come as a surprise to the bank's large shareholders. But they will be watching Mr Buxton's performance closely to see if he can alter their perception that he has not presented his own and the bank's case well so far. Some institutions believe his performance at last week's post-results press and analysts' conferences should have been more confident.

The degree of dissatisfaction among shareholders is open to debate. Fund managers holding 15 per cent of the bank's shares contacted by the Financial Times on Friday expressed varying degrees of discontent, the strongest being the view that Mr Buxton should resign. But Barclays believes it has received support from the most senior executives of the institutions concerned.

Yet the bank tacitly accepts the view that it cannot judge entirely on the basis of telephone calls made by Mr Buxton on Friday. The ultimate test will come in the post results "roadshow" in which Mr Buxton makes plain he will play a full part. "I have got to try to reassure them, and make sure they appreciate that the current management is getting decisions right," he said yesterday.

Mr Buxton's problem in doing so is his link with the past. This is partly as a member of one of the Quaker families in charge of the regional banks which came together to make up Barclays. But it is substantially to do with a more recent period of history: the time in May 1988 when he became managing director, just after a rights issue of £921m to expand lending had been announced.

Mr Buxton made an incautious remark at the press conference on Thursday indicating that he had little direct responsibility for this lending growth. Yesterday, he was carefully emphasising that he bore some responsibility, and should have performed better. "With hindsight, when I became managing director, I wish I had jumped on the problem of expansion earlier," he said.



Sir Peter Middleton: the deputy chairman

His defence is that despite having made mistakes, he essentially arrived too late to stop lending mushrooming. He argues that much of the problem lending in the following two years came from large companies taking up more of what were already-agreed facilities. "When you come in the middle of a fast expansion programme that is already taking place, it is difficult to control," he says.

This issue alone would provide enough material for debate. But Mr Buxton faces questions on a second point: when and how he will take steps to split his two roles.

He remained cautious about details yesterday, but promised it would happen this year. "I do not think later would be acceptable to shareholders, and I do not want an uncertainty of this sort any longer than necessary," he said.

There are two uncertainties involved. The first is whether the bank will actually appoint a chief executive in both name and deed, or have a chief operating officer similar to Mr Buxton's old post of managing director.

Any wavering is likely to stimulate discontent among shareholders, one reason for Mr Buxton's promise yesterday of handing over "a significant part" of his job.

The second uncertainty is whether the new senior executive will come from inside or outside the bank. As long as Mr Buxton remains chairman, investors are likely to place significance on the new senior executive coming from outside the bank. Yet this could present internal problems by risking curtailing the responsibilities of executives such as Sir Peter Middleton, the deputy chairman.

Mr Buxton emphasised yesterday that this potential problem was one reason why he was taking some time to decide how the new management structure – first introduced in 1991 – should be reformed. "It is a definite consideration. I must take the management team with me and ensure that I hold them together, and convince them that any new structure is going to work," he said firmly.

Barclays' chairman emphasised yesterday that he did not believe investors' concern was so great that they "want to fire the whole of the management team". But he would not be drawn on the question of what he would do if the shareholder meetings over the next two weeks convinced him otherwise. "As the saying goes, I would prefer not to start from there," said Mr Buxton.

Reduced interest charge behind rise at British Data

By Richard Gourlay

BRITISH Data Management, the data storage specialist which came to the market through a placing a year ago, reported doubled pre-tax profits of £1.66m for the six months ended December 31, against £779,000 last time.

Sales rose 13 per cent from £6.2m to £7.04m. The pre-tax figure was struck after a much reduced interest charge – down from £687,000 to £53,000.

Earnings per share rose 25 per cent to 6.5p and the group declared an interim dividend of 1.5p. The directors said the earnings figure was flattered by a £138,000 tax charge that was significantly lower due to £258,000 of over-provisioning in the previous year.

Mr Stephen Crown, British Data's chairman, said a strict comparison of earnings could not be made because in the previous year BDM paid no tax because of losses brought forward.

He said he continued to seek substantial organic growth that would be supplemented by bolt-on acquisitions.

The company expected to gain a significant amount of new work from the government which, through its market testing programme, is seeking to farm out support functions.

CROSS BORDER M&A DEALS

BIDDER/INVESTOR	TARGET	SECTOR	VALUE	COMMENT
Deutsche Bank (Germany)	Banco de Madrid	Banking	£245m	Foreign growth continues
Kraft General Foods International (US)	Terry's (UK)	Confectionery	£220m	United Biscuits sale
BSN (France)	Egidio Galbani (Italy)	Food	£173m	Lifts stake to 70 per cent
Banco Central Hispano-americano (Spain)/Banco Comercial Portugues	Share Swap	Banking	£169m	Co-operation move
Western Mining Group Australia	Olympic Dam (Australia)	Mining	£164m	BP exiting minerals mining
Call-Net Enterprises (Canada)	Unit of Cable and Wireless (UK)	Telecoms	£19.6m	C&W refocusing efforts
Johnson & Firth Brown (UK)	Viking Metallurgical Corp (US)	Engineering	£8.6m	US expansion
Rockwell International (US)	Unit of Sprecher & Schuh (Switzerland)	Controls	n/a	Strengthening global position
FMC Corp (US)	Kongsberg Offshore (Norway)	Oil & gas services	n/a	Siemens non-core sale
Thomson-CSF (France)/ Short Brothers (UK)	Shorts Missile Systems (JV)	Defence systems	n/a	Brothers in arms

American Express plans to reduce stake in First Data

By Nikki Tait in New York

AMERICAN Express, the US financial services group that has recently undergone significant management upheavals, is planning to sell more than half its majority stake in First Data Corporation.

The disposal could bring some $1.2bn into American Express, which suffered a painful profits setback last year. First Data administers credit card transactions for companies such as Visa and Mastercard, as well as American Express itself.

American Express said that it planned to sell 32m shares in First Data, with a further 3.2m becoming available if the offer went well.

The sale could reduce American Express's stake in First Data from 54 per cent to around 22 per cent.

First Data shares eased $⅝ to $34.50 on the news, which came on Friday afternoon. At this sort of level, however, the disposal would raise around $1.2bn for the financial services group, ahead of sale expenses.

Harvey Golub: replaced James Robinson as Amexco chief

American Express said that the proceeds of the sale would be used for "general corporate purposes".

The sale itself did not surprise Wall Street, although it is the first important move made by the company since Mr Harvey Golub replaced Mr James Robinson as chief executive of American Express earlier this year.

American Express sold more than 50m shares in First Data last year, raising more than $1bn in the process and cutting its interest to the 54 per cent ownership level.

American Express shares gained $¼ to $25⅝ on Friday's news.

Net earnings at American Express more than halved for 1992 following a steep decline in profits within the group's travel side and a slide into losses at Shearson Lehman, American Express' brokerage and investment banking operations.

Ministry denies role in OCP counter-bid

By William Dawkins in Paris and Paul Abrahams in London

THE French industry ministry has denied involvement in an attempt to mount a counter-bid for Office Commercial Pharmaceutique, France's largest medicines wholesaler, which is facing a takeover offer from a German group.

A senior official said the ministry had responded to requests for information from shareholders of Gehe, the German group that last month made a friendly FFr1.8bn ($318.6m) offer for OCP.

The French government had no interest in meddling in purely private business, the official said. "We do not get involved in takeovers," he added. The only industry ministry involvement was to provide information about French medicine marketing rules to Gehe shareholders, the official explained. "I can assure you that Franco-German business relations are very good," he said.

The ministry's denial contradicts claims earlier this week by some representatives of OCP and a member of a French consortium of pharmaceuticals companies that the government was sponsoring a French counter-bid.

However, a leading French drugs group in the consortium yesterday reconfirmed that the industry ministry had advised it on mounting a possible counter-bid for OCP.

Mr Jean-Pierre Duché, OCP's chief executive, supports the German deal, but OCP's largest single shareholder, the Bourely family, with 15 per cent of the equity, opposes it. A legal action between rival existing shareholders for control of OCP is understood to be under way.

Meanwhile, the French Treasury has delayed for 10 days its decision on whether to give the German bid the go-ahead.

OCP says that officials want to examine the ownership structure of Gehe and in particular Franz Haniel, the Duisburg-based trading and service company which owns Gehe.

A dividend dilemma at Banesto

Disposal could allow the bank to make a full payout, says Peter Bruce

MARIO Conde, chairman of Banesto, Spain's third largest bank, has one of those problems this week that occasionally make it fun to be in debt.

On Friday, Banesto announced it had sold its biggest banking subsidiary, Banco de Madrid, to Deutsche Bank for Pta42bn ($357m). This deal will allow the German bank, which already owns Catalonia-based Bancotrans, to become the largest foreign bank in Spain. But it was far more important for Mr Conde.

Banesto will make a profit of Pta30bn from the disposal and now has to decide what to do with it. It has two choices.

The first and most probable use of the money will be to provide for bad debts. Non-recoverable loans are at record levels in Spain, but are particularly burdensome at Banesto where assets grew rapidly just prior to the downturn in the economy last year.

The Bank of Spain had given Banesto until the end of next year to find an extra Pta40bn to cover itself.

The other, more remote, possibility, is that the money will be used to help pay a full dividend for 1992. As things stand now, Banesto cannot possibly match the full 1991 payout of Pta205, because the parent bank's profits fell last year and the Bank of Spain would frown on any bank, perhaps especially Banesto, reducing the amount of net profit transferred to reserves in the middle of a recession.

Banesto has already paid Pta95 to shareholders for 1991, though, and has until June to decide whether, and how, to make its traditional complimentary payment. Analysts disagree about what might be done and the bank is keeping silent. But there is some hope for shareholders.

The waters are further muddied by the fact that Banesto is planning a large three-for-one rights issue, which has won a promise of support from J.P. Morgan and which Banesto hopes will raise up to Pta53bn in new capital.

There is an outside chance that a successful rights issue might persuade the Bank of Spain to allow Mr Conde to use all or most of last year's Pta20.2bn parent bank net profit to pay shareholders. The rights-issue proceeds would then go to reserves where, normally, most of the 1992 profit would expect to end up.

Clearly the central bank would be persuaded one way or the other by the final outcome of the rights issue.

In truth, though, the rights issue would be paying the dividend, thus putting Mr Conde in the curious position of asking shareholders for money in order to be able to give it back to them.

Between making the full possible payment, with Bank of Spain complicity, and making none at all lies an acceptable policy. It is this that Mr Conde – and his prospective new shareholder in J.P. Morgan – will be searching for.

Kirch raises holding in Springer

By Judy Dempsey in Berlin

MR LEO Kirch, the media magnate, has paid DM220m ($132m) to increase to 29 per cent his shareholding in Axel Springer, the large German publishing group which counts Bild and Die Welt among its newspaper titles.

He has acquired the 10 per cent stake in Springer sold last week by Poligrafici Editoriale, the Italian publishing company.

Before the purchase, Mr Kirch already had around 25 per cent of the Springer voting rights.

The deal stems from a cross-shareholding agreement between Springer and Poligrafici under which both companies have ended their involvement with each other.

Springer has sold its 10 per cent stake, or 13.2m shares, in Poligrafici to the Monti Group, the Italian publisher which holds the majority stake in Poligrafici. The selling cost is reported to be L4,650 ($2.95) a share.

Springer's decision to sell its stake ends its short involvement in the Italian media market. But it also means that the group, which publishes Bild, the mass circulation daily, and Die Welt, a more serious daily, is likely to spend more time improving sales, distribution and circulation in eastern Germany.

German newspapers are attempting to increase their share of the expanding eastern German market. In particular, two new weeklies, Focus and Die Woche, are aiming for a younger, up-market readership.

Australia's Orbital says it has won orders for new type of car engine

By John Griffiths

AUSTRALIA'S Orbital Engine Company has told the New York and Australian stock exchanges that it has won orders from "a major automotive producer" for its innovative two-stroke engines.

Ford, General Motors, Fiat and Volkswagen are among car makers already holding licences from Orbital to develop the technology. Orbital engines are around half the weight and two-thirds the size of conventional car engines.

However, Ford, which has several dozen prototype Orbital-powered Fiestas in trial use with fleet operators in the UK – and is widely regarded as the front-runner for bringing Orbital cars to market – rejected speculation that it was involved in the announced agreement.

Orbital, in which Broken Hill Proprietary has a 25 per cent stake, said it was prevented by a confidentiality agreement from naming the manufacturer which had signed the letter of intent.

According to Orbital, the agreement provides for the vehicle maker initially to take supplies of OCP (Orbital Combustion Process) engines from a US plant being prepared by Orbital at a former GM facility in Tecumseh, Michigan, and which is due to come on stream at the end of this year.

This will be complemented by an engineering programme at Orbital's research and development facilities at Perth, Western Australia.

The rationale behind the Tecumseh plant is for it to provide licensees with only a sufficient volume of engines for them to gain know-how before committing to their own high-volume manufacture.

Ford hopes to have small, Orbital-engined cars in its range by as early as 1995. The engines are said to be 10 per cent more powerful and 12 per cent more economical than conventional rivals.

HK Electric beats forecasts with 30% rise

By Simon Holberton in Hong Kong

HONGKONG Electric, which operates the electric power monopoly on Hong Kong island, has exceeded expectations by reporting a 30 per cent rise in 1992 earnings to HK$3.05bn (US$394m) from HK$2.3bn in 1991.

Profit was struck on a 9.3 per cent rise in turnover to HK$5.3bn, from HK$4.8bn. The directors declared a final dividend of 52 cents a share, making 82 cents for the year – a rise of 17 per cent on 1991.

Mr Simon Murray, chairman, said Secan, the group's property development associate, contributed more than 20 per cent of pre-tax profits. Analysts expect the company's land bank to be fully utilised by the end of 1994.

Mr Murray said the electric company recorded a profit growth of 14 per cent during the year. Unit sales of electricity rose by 4 per cent – well below the overall growth rate of Hong Kong's economy of 5 per cent in real terms. During the year the company invested HK$2.97bn in new electricity and power facilities.

Dumez to cut 1,500 jobs this year

By Alice Rawsthorn in Paris

DUMEZ, one of France's largest construction companies, plans to cut 1,500 jobs in France this year after suffering a steep fall in sales in 1992.

Mr Jean-Louis Brault, who 18 months ago became chairman of Dumez, a subsidiary of the Lyonnaise des Eaux-Dumez utility group, announced that his company had seen sales fall by 25 per cent to FFr15bn ($2.65bn) in 1992 from FFr20bn in 1991.

Dumez, like other construction companies, has been badly affected by the slowdown across the European construction sector. It has also encountered problems with contracts in Saudi Arabia.

Mr Brault said Dumez envisaged reducing its 8,333-strong French workforce by 18 per cent, with 500 job losses at the parent company and 1,000 at the regional subsidiaries this year.

News of the Dumez rationalisation follows the announcement earlier this year that Lyonnaise des Eaux-Dumez faced a sharp fall in net profits of over 65 per cent last year.

Hagemeyer ahead 21% at Fl 103m

By Ronald van de Krol in Amsterdam

HAGEMEYER, the Dutch-based trading company that is 65 per cent-owned by First Pacific of Hong Kong, yesterday reported a 21 per cent jump in 1992 net profit to Fl 103.1m ($55.7m) and a 5.6 per cent rise in its dividend to Fl 6.00.

The company also announced plans for a two-for-one share split and an increase in authorised share capital to Fl 470m from Fl 290m. It added that it had no immediate plans for a share issue.

Hagemeyer, which focuses on selling and distributing brand-name consumer and professional products, attributed the strong gain to its wholesale electro-technical subsidiaries and to its North American consumer electronic activities. Sales and profits from consumer and professional electronics were unchanged from 1991.

Overall, turnover rose by 15.3 per cent to Fl 3.4bn and would have shown a 18.5 per cent increase but for exchange rate movements.

Number of Shares applied for	Applications for one Class of Share only			Applications for more than one Class of Share*		
	Income Shares	Capital Shares	Zero Dividend Preference Shares	Income Shares	Capital Shares	Zero Dividend Preference Shares
0 - 25,000	100%**	100%	100%	100%	100%	100%
25,500 - 300,000	85%	100%	100%	90%	100%	100%
300,500 - 1,000,000	75%	100%	100%	85%	100%	100%
1,000,500- 2,500,000	50.58714%	100%	100%	50.58714%	100%	100%
2,500,500 - plus	50.58714%	98.95205%	100%	50.58714%	98.95205%	100%

INTERNATIONAL CAPITAL MARKETS

GERMAN BONDS

Prices soar on back of Bundesbank rate cut

SURPRISE is a central weapon in the armoury of a central bank – especially the German Bundesbank, which over the course of last week teased the markets with contradictory signals, but on Friday delivered a positive surprise.

The market was disappointed that last Thursday's council meeting had closed without a cut in either the Lombard or discount rates – and then delighted when on Friday the Bundesbank announced a 24-basis point cut in its next 14-day repurchase agreement to 8.25 per cent, down from 8.49 per cent.

The move was taken by the markets as final confirmation that the Bundesbank is embarked on a steady course of substantial cuts in short-term interest rates – and proof that the Bundesbank believes the downturn in the German economy will prove a better brake on inflation than high interest rates.

It sent German government bond prices up to their highest level since the end of December 1988.

The average daily yield on all government securities dropped by 10 basis points to 6.37 per cent, with the yield on 10-year benchmark bunds down to 6.5 per cent from 6.7 per cent at the beginning of the week and well below the average over the last 10 years.

These price rises capped a glorious eight months for the German bund market.

Yields on 10-year bunds have dropped from 8.28 per cent in July last year, buoyed by massive purchases by foreign investors.

There are no figures yet available for foreigners' purchases in the first two months of the current year but over the whole of 1992 they spent DM135bn buying German government securities, more than twice the DM60bn invested in 1991.

All but DM12.5bn of these purchases took place in the second half of the year, reflecting investors' confidence in the strength of the D-Mark amid the currency market turmoil. Foreign investors bought DM64bn of German bunds in the last quarter alone.

Apart from the D-Mark's safe-haven status, investors were attracted by the prospect of decisive cuts in interest rates which – after a rather grudging start in mid-September with the half-point cut in the discount rate (to 8.25 per cent) and the quarter point off the Lombard (to 9.5 per cent) – gathered momentum with the rate cuts on February 4, when the Bundesbank trimmed the Lombard by 0.5 per cent and the discount rate to 8 per cent.

Comments from Mr Johann Gaddum, a member of the Bundesbank's policy-making council, to the effect that the cut was not necessarily a prelude to further reductions in the discount and Lombard rates the next time the council meets on March 18, did nothing to stop excited speculation about the future course of interest rates.

It is now widely expected that the "official" Lombard and discount rates will fall by up to two more full basis points during the course of the next year.

Mr Kermit Schoenholtz at Salomon Brothers predicts that call money will drop from its current level around the repo rate to 6.5 per cent by the end of this year and below 5 per cent in 1994.

The question for investors is whether this scenario has already been reflected in the significant price rises of recent months – whether now is not the right time to sell bunds and buy the higher yielding fixed-income securities of France, the UK, or even Italy, where yields on 10-year benchmark bonds are respectively 81, 113 and 475 basis points higher than the equivalent bund.

Mr Klaus Holschuh in Commerzbank's fixed-income research department believes that there is significant downside risk associated with holding 10-year bunds.

He says that once foreign investors start to take their profits in any volume – perhaps after the Bundesbank does cut its official rates again – selling pressure could put yields on such long maturities back up to 7.3 to 7.5 per cent. These bunds are likely to be most vulnerable to worries about Germany's poor fundamentals on the inflation and budget deficit front.

Mr Holschuh argues that bunds with intermediate maturities make a better investment for those investors not prepared to risk moving put of D-Mark assets at present.

Yields on bunds with three, four and five-year maturities are around 6.2 per cent and could gain most as the shape of the still inverted yield curve normalises amid further interest rate easing.

The danger of this strategy is that yields on 10-year bunds could after all climb still further, teased upwards by the Bundesbank's gradualist approach to rate cuts and the severity of the German recession.

David Waller

US MONEY AND CREDIT

Jobs data provide bonds with a dose of cold reality

IS A 6.5 per cent yield on the 30-year Treasury bond a real possibility?

For most of last week, the mood of US bond dealers seemed to suggest that it might be. It took the February employment data, which on Friday disclosed a surprisingly large increase in jobs last month, to inject a dose of cold reality into the market.

The persistent "upbeat" mood – which, in the previous week, had sent the long bond yield to its lowest level since 30-year bonds began to be issued regularly in the 1970s – became plain when trading began on Monday.

In spite of disruption stemming from the World Trade Center blast and some cautious comments on short-term government borrowing plans from Mr Lloyd Bentsen, the new US treasury secretary, the long bond yield had fallen to 6.84 per cent by Monday evening from 6.9 per cent at the end of the previous week.

Admittedly, there was nothing particularly alarmist in Mr Bentsen's remarks; he simply indicated that there would be no "dramatic, radical shift" in the authorities' short-term borrowing plans.

Nevertheless, traders had attributed part of the long bond's price rise to expectations that the quarterly 30-year auctions would diminish significantly in scale, and this might have depressed sentiment. So, too, might the temporary absence from the market of Cantor Fitzgerald, an important brokerage firm in the bond market and one of the casualties of the WTC explosion.

But, having overcome these obstacles, the bond price rally duly continued for another three days. By Thursday evening, the long bond yield had dropped to 6.78 per cent, and yields on other Treasury issues had also declined.

At this stage, there were few specific economic numbers to account for the rise – although weaker-than-expected data on 10-day car sales may have helped. In general, the rally appeared to result from growing confidence in the non-inflationary implications of the Clinton economic plan, and even some speculation about a further easing of interest rates by the authorities.

Nevertheless, uneasiness about the speed and extent of the rally was beginning to spread among analysts – and Friday's release of the jobs numbers brought a perfect opportunity for the market to consolidate.

The numbers themselves were certainly unexpected: there was an increase of 365,000 workers on non-farm payrolls in February, about three times the figure which pundits had been predicting, while the national unemployment rate edged down by a tenth of 1 per cent, to 7 per cent.

With the weekend to reflect, analysts appeared to be striking a cautious note.

Some pundits observed that manufacturing sector employment remains fairly weak, although it does appear that the recent pick-up in economic activity is finally translating into jobs.

Although demand and supply considerations may underpin recent bond yields, many suspect that the steam will go out of the rally.

The coming week, meanwhile, will be fairly light on new economic data. The February producer price index is due to be released on Friday, and expectations centre on a small increase – perhaps 0.3 per cent, after 0.2 per cent in January – due to higher food and energy prices.

Predictions for February retail sales figures, out on Thursday, focus on a modest 0.1 per cent increase. Individual store sales results for the month have already displayed lacklustre trading, although retailers have blamed severe winter weather in many parts of the country.

Nikki Tait

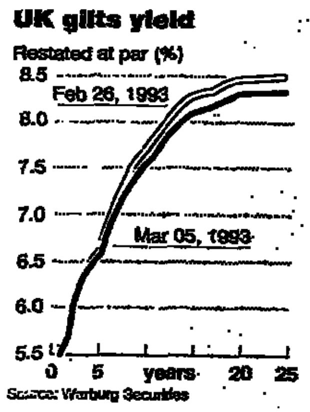
UK GILTS

Domestic buyers wary ahead of Budget

AFTER a further reduction in yields for long-dated gilts, bond specialists are starting to ask how long the good times will last.

UK gilts yield

Restated at par (%)



Source: Warburg Securities

The indications are that during February – a bumper month for gilt prices – steady demand from overseas institutions, particularly in the US and Germany, have been a big stimulant for the market.

But domestic investors are likely to be wary about any big gilt purchases before next week's Budget.

They will also be looking for any surprise weakness in the monthly figures for producer price inflation due out tomorrow.

General sentiment in the gilt market was boosted by expectations about an imminent cut in key German interest rates coupled with stronger sterling and a favourable UK inflation outlook.

A surprise 24 basis-point cut in Germany's 14-day repurchase rate announced on Friday added weight to views that the Bundesbank's decision-making council will reduce its discount and Lombard interest rates at its next meeting on March 18.

The June gilt future, which broke through 107 on Friday, is thought likely to continue its recent rise.

At Friday's close, 15-year gilt yields were down about 25 basis points on the week to around 7.8 per cent in a continuation of the marked reduction in yields since late January.

According to many specialists, gilt gains are likely to lag slightly behind the German and French markets, with the yield spread between 10-year gilts and bunds widening by just a few basis points over the next week or two.

Mr John Shepperd, an economist at SG Warburg Securities, says that the Treasury is likely to end the 1992-1993 financial year overfunded to the tune of about £4bn, due partly to a higher-than-expected surplus on the fiscal account in January.

However, much attention will focus on the public sector borrowing requirement for February, due to be announced on Budget day, which some believe could be extremely high.

Worries about the PSBR in 1993-1994 – thought likely to be at least £50bn, as opposed to the likely figure of roughly £35bn to £37bn for 1992-1993 – are likely to be a prominent feature of market operations over the next two months.

During this period gilt yields at the long end could easily rise on account of fears that a large level of funding will pull down prices.

Mr Nigel Richardson, economist at the London office of the Japanese bank Yamaichi, is among the relative pessimists who think yields may not have much further to fall at the long end.

"I am concerned about the level of yields at this end of the curve," Mr Richardson said. "In the past three weeks there has been nothing to dent the market's view that inflation in the UK is under control. But further out we could see inflationary pressures starting to build up. The level of funding envisaged for 1993-1994 will not be a problem – as long as all the other factors are under control, of which inflation is one."

Many analysts believe that on Budget day, Mr Norman Lamont, the chancellor, will announce a new programme of gilt auctions which will ram home the implications of the large volume of funding around the corner.

It could be that after this the appreciable rally in the gilt market, which was a prominent feature of 1992, will start to peter out.

Peter Marsh

FT/ISMA INTERNATIONAL BOND SERVICE

U.S. DOLLAR STRAIGHT	Issued	Bid price	Chg on week	Yield
ABB INTL FIN 6 3/8 96	200	103¾	+⅛	4.93
ABBEY NATIONAL 9 3/4 96	200	105¼	-⅛	4.12
ABN 9 1/8 94	200	105¼	-1¼	5.12
AETNA LIFE & CAS 7 3/4 16	200	101¼	-⅛	7.63
ALBERTA PROVINCE 8 5/8 96	750	110¼	+⅛	5.35
ALBERTA PROVINCE 9 3/8 95	600	111		4.82
AMERICAN EXPRESS 0 00	450	57⅞	+⅛	7.35
AMERICAN GENERAL 9 3/4 95	100	109⅞		5.16
AMERICAN INTL 0 04	750	45⅛	+½	7.15
AMOCO CANADA 7 1/4 02	250	105½	+¾	6.45
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

EQUITY WARRANTS	Expiry date	Bid price	Chg on week	Prem
ASAHI GLASS	25/06/96	10⅞	+⅛	28.39
CANON	24/05/95	6⅛	-1⅛	23.63
HANKYU DEPT STORES	14/03/96	1⅛		75.18
HINO MOTORS	06/07/94			67.77
KOBE STEEL	12/06/96	1		99.77
MITSUBISHI EST	11/03/96			
MITSUI TOATSU CHEM	30/01/98	1⅛		
MORINAGA	13/06/95	4⅞	-1⅛	27.48
NICHIREI CORP	11/06/98	11⅞	-1⅛	32.89
NIPPON COMSYS	31/01/95	⅞	+⅛	87.37
NISSHIN STEEL	18/04/96	⅛		
ROYAL HOTEL	14/03/95	⅛		
SMC	24/02/97	⅛		
TAKASHIMAYA	02/07/96	⅛		62.27
TOYO SASH	05/08/97	⅛		
YAMANOUCHI PHARM	01/03/94	1⅞	-⅛	24.58

STRAIGHT BONDS: Yield to redemption of the bid-price. Amount issued is expressed in millions of currency units.
FLOATING RATE NOTES: US dollars unless indicated. Margin above six-month offered rate for US dollars. C.cpn = current coupon.
CONVERTIBLE BONDS: US Dollars unless indicated. Prem = percentage premium of the current effective price of buying shares via the bond over the most recent share price.
WARRANTS: Equity warrant prem = exercise premium over current share price. Bond warrant ex yld = exercise yield at current warrant price.

Closing prices on March 5

INTERNATIONAL CAPITAL MARKETS

INTERNATIONAL BONDS

Revival of investor interest in Latin America

AN APPETITE for extra yield, at a time when low interest rates are squeezing returns, has encouraged investors to return to the market for Latin American bonds. Although the market is noted for its volatility, the relatively strong economic performance of the region in the last few years has ensured a steady tightening of yield spreads relative to the US Treasury market.

The market suffered a setback at the end of last year, when oversupply caused yield margins to widen substantially. However, those wider margins, reviewed at the start of the year, started to attract investors back to the market.

The range of investors has already broadened considerably. Initially dominated by flight capital – funds invested by Colombian nationals – the market has been taken up by a growing number of specialist funds. Institutions are starting to dip their toes in the water, buying Latin American securities as a small part of large and diversified portfolios.

In the meantime, the number of sovereign borrowers able to tap the market continues to grow, as the re-entry of Latin American countries to the international capital markets progresses, in the wake of the debt crisis of the early 1980s.

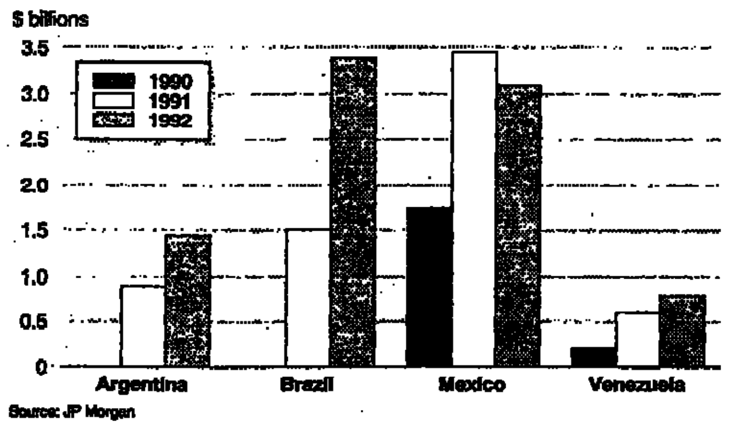
Uruguay, which completed its first Eurobond last year, is about to return to the market with a five-year deal, arranged by Chase Investment Bank, which is expected to yield about 295 basis points over the five-year US Treasury.

Colombia will make its debut in early April, with a $100m issue of five or seven-year Eurobonds, via Bankers Trust. The deal for Colombia, which never rescheduled its debt, has already attracted strong investor interest, bankers said.

Some bankers believe that Peru – or a government-owned company – may also tap the market this year, after having implemented a number of economic reforms last year. Ecuador is also cited as a potential new borrower.

However, bankers have become increasingly frustrated in their efforts to bring Chilean borrowers to the market. The government has clamped down on foreign borrowing, barring banks from tapping the market and restricting all but a few companies. "Every time you get a mandate, the Chilean authorities change the rules, effectively blocking the market," complained one banker.

International bond issues



Source: JP Morgan

Chile has an active domestic market, where funding of up to 20 years is available, but the amounts are small. In addition, banks are keen to raise dollars in the international market to on-lend to companies for their export business. However, CTC, the Chilean telecommunications company, is said to be preparing a convertible bond issue via Goldman Sachs.

Borrowers are also beginning to tap markets other than the dollar market. Venezuela is said to be planning a DM350m-DM400m issue of five-year bonds via Commerzbank (having just issued three-year dollar bonds in the domestic Colombian market). Apasco, a foreign-owned Mexican cement company, is also planning to tap the D-Mark sector, via Dresdner, according to bankers. A number of deals are also in the pipeline in the dollar market, including issues for Argentine and Brazilian banks.

There is still some bad news about, however. Sentiment on Brazil is increasingly negative, although last week's change of finance minister did not worry the market. Bankers are concerned about the financial position of the country and some companies, and fear the signing of the Brady plan on debt restructuring may still be some way off.

In addition, although spreads can tighten dramatically in this market, when they become too narrow the incentive to buy riskier paper disappears. In recent weeks, corporate paper, which had been trading at rather wide spreads, has prompted most interest. For example, seven-year Cemex paper tightened from 450 basis points to 380, because it was perceived to offer a high yield.

The market's volatility still scares off some investors. Part of the problem, according to some specialists, is that relatively few banks are active in this area, and they may not allocate substantial capital to dealing in Latin American bonds.

However, there are signs that more banks are deciding that Latin American business is worth getting. For example, Deutsche Bank, which has not been an active arranger of Latin American bonds, recently managed a D-Mark issue for Mexico.

Tracy Corrigan

NEW INTERNATIONAL BOND ISSUES

Borrowers	Amount m.	Maturity	Av. life years	Coupon %	Price	Book runner	Offer yield %
US DOLLARS							
Daiwa Seiko♦(a)	40	Mar.1998	5	2	100	Banca del Gottardo	-
Casio Computer Co.(b)♦	350	Mar.1997	4	2	100	Daiwa Europe	-
Dowa Mining Co.(f)♦	120	Mar.1997	4	2	100	Nikko Europe	-
Eurofima(g)‡#	100	Mar.2000	7	(g)	100	Lehman Brothers Intl.	-
CFD(k)	330	Apr.2005	12	6.25	99.77	C.Lyonnais/ UBS P&D	6.278
Czech National Bank(l)	300	Apr.1996	3	(l)	(l)	Nomura International	(l)
Rabobank Nederland(n)‡#	100	Mar.2000	7	(n)	99.875	Lehman Brothers Intl.	-
Copene(o)#	65	Mar.1998	5	10.5	97.153	Citibank International	11.260
YEN							
Mitsui Fudosan Co.	30bn	Jun.1997	4.29	4.3	101.485	Goldman Sachs Intl.	3.913
All Nippon Airways Co.	30bn	Jun.1998	5.27	4.5	101.7	Nikko Europe	4.131
Tokyo Tatemono Co.	10bn	Jun.2000	7.27	5	101.425	Yamaichi Intl.(Europe)	4.760
Toda Corp.	10bn	Jun.2000	7.27	5	101.5	Nikko Europe	4.747
DSL Bank	10bn	Mar.1998	4.99	4.125	101.225	Sakura Finance Intl.	3.851
Great Belt	35bn	Mar.1998	5	4.25	101.1	Daiwa/ Norinchukin	4.227
Sumitomo Realty & Dev.	30bn	Jun.1997	4.27	4.2	101.5	Daiwa Europe	3.808
Sumitomo Realty & Dev.	20bn	Jun.2000	7.28	4.8	101.648	Goldman Sachs Intl.	4.525
Sumitomo Realty & Dev.	20bn	Jun.1998	5.26	4.5	101.475	Goldman Sachs Intl.	4.178
D-MARKS							
Kingdom of Belgium	1bn	Mar.1998	5	6.375	101.7	Deutsche Bank	5.972
Komeri Co.	30	Mar.1998	5	6.75	101.4	IBJ(Deutschland)	6.414
Bank of Greece	1bn	Apr.1998	5	7.75	101.6	Commerzbank	7.356
FRENCH FRANCS							
Electricité de France(d)	1bn	Dec.2002	9.7	zero	49.5	Paribas Cap.Mkts.	7.521
STERLING							
British Gas	200	Mar.2003	10	8.125	101.37	CSFB/ Goldman Sachs	7.922
British Gas	200	Mar.2000	7	7.625	101.55	CSFB/ Goldman Sachs	7.334
European Inv'ment Bank(h)	200	Jun.2003	10.24	8	100.843	Samuel Montagu	7.869
Bayerische Hypobank	150	Dec.1998	5.71	7	100.655	Deutsche/ S.Montagu	6.847
Rank Organisation(p)	100	Apr.2000	7	8.375	100.07	BZW	8.361
Commerzbank (London)	100	Dec.1998	5.75	7	101.33	CSFB	6.705
SBAB	100	Apr.1998	5	7.375	101.275	Daiwa/ UBS P&D	7.064
Northern Rock Bldg.Soc.	50	Mar.2018	25	10.375	101.764	SG Warburg Securities	10.178
CANADIAN DOLLARS							
Province of Ontario(i)#	1.5bn	Mar.2003	10	8	98.45	Merrill Lynch Intl.	8.230
European Inv'ment Bank(m)	200	Feb.1998	4.9	7.25	102.405	JP Morgan Securities	6.653
ECUS							
Council of Europe(e)	100	Nov.2001	8.67	9	106.3	Goldman Sachs Intl.	7.954
GUILDERS							
ABN Amro Bank	1bn	Apr.2000	7	6.625	100.75	ABN Amro Bank	6.488
DANISH KRONER							
Finance for Danish Industry	300	Apr.1997	4	9.375	101.7	Den Danske Bank	8.852
Great Belt	1.5bn	Apr.2003	10	zero	45.72	Kidder Peabody Intl.	8.141
SWISS FRANCS							
Sansei Yusoki Co.(c)*♦	25	Mar.2000	7	2.5	100	Banca del Gottardo	-
Catena Corp.(j)*§#	40	Mar.1997	4.04	3.625	100	Nomura Bank(Switz.)	-
European Investment Bank	300	Apr.1999	6	4.5	102.125	Credit Suisse	4.093
BLF(q)	80	Apr.1998	5	4.75	101	UBS	4.522
LUXEMBOURG FRANCS							
BIL	500	Mar.2003	10	7.625	102.25	BIL	7.300

Final terms and non-callable unless stated. *Private placement. §Convertible. ♦With equity warrants. ‡Floating rate note. #Semi-annual coupon. a) Denom.: SFr50,000 + 50 warrants. Exercise price: Y714. FX: 78.36Y/SFr. b) Denom.: $10,000 + 2 warrants. Exercise price: Y801. FX. 119.50Y/SFr. c) Denom.: SFr50,000 + 50 warrants. Exercise price: Y1282. FX: 78.22Y/SFr. d) Fungible with the outstanding FFr3bn 40 days after payment date. e) Fungible with the outstanding Ecu1bn. Plus 121 days accrued interest. f) Final terms fixed on 9/3/93. g) Coupon pays (0.5 × the 10 year CMT) + 1.45%; minimum 5%, maximum 28%. h) Fungible with the outstanding £400m launched on 7/1/93. Plus 58 days accrued interest. i) Global issue. j) Final terms fixed on 8/3/93. Callable on 30/9/95 at 101.5% declining by 0.5% semi-annually. Acceleration clause (150% rule) applies from 31/3/94. Refixing clause: setting date is 24/4/95. k) Borrowers full name: Caisse Francaise de Developpement. l) Priced on 8/3/93 to yield 272-278bp over the 4.625% US Treasury due Feb.1996. m) Fungible 40 days after payment date with the outstanding C$200m launched on 19/10/92. Plus 37 days accrued interest. n) Coupon pays (0.5 × the 10 year CMT) + 1.45%: minimum 5%, maximum 28%. o) Puttable on 25/12/95 at 98.27%. p) Callable at any time at the higher of par or a yield level with the 9% gilt due 2000. q) Borrowers full name: Bank in Liechtenstein Finance(Cayman Islands). Note: Yields calculated on ISMA basis.

RISK AND REWARD

An unprecedented performance by the UK's fund managers

IS measuring the performance of fund managers becoming as much an art as fund management itself? New figures due this week from Combined Actuarial Performance Services, the Leeds-based pension fund performance measurement service, are likely to stir the debate further.

According to CAPS, the average UK fund manager outperformed the FT-A All-Share Index by a best-ever 1.8 percentage points, earning a median return of 22.4 per cent on a portfolio of UK equities against a 20.6 per cent return on the FT-A.

Meanwhile, WM Company, another pension fund measurement service, calculates that the average return generated by institutional fund managers in UK equities was 20.8 per cent, although half the funds in its survey beat the index by one percentage point or more.

The outperformance seen in the CAPS data is unprecedented, says Mr John Clamp, chief executive. Between 1982 and 1991, fund managers actually underperformed the FT-A Index in seven of 10 years by an average of 0.89 per cent. They outperformed in only three years, by a more modest average of 0.66 per cent. Similarly, the WM survey finds that fund managers had, for the first time in 1992, outperformed key indices in every stock market at home and abroad.

So what is going on? And if rates of return can be so different, what is the appropriate benchmark against which to measure performance? These questions prove particularly troublesome to pension fund consultants who guide clients into the arms of fund managers.

Mr Nick Fitzpatrick, partner at actuarial consultants Bacon and Woodrow, notes that partly because of the role of pension consultants, there has been an increasing concentration of pension funds in the hands of no more than a half-dozen fund managers with consistently good performance. Several of these – Gartmore and Phillips & Drew Fund Management in particular – wildly outperformed the FT-A Index in 1992 and the outperformance of the CAPS median may well reflect the concentration of CAPS clients in the hands of these managers.

But others suggest that differences in actual fund size account for the variations in returns.

Mr Peter Worrington, marketing manager at WM, notes that his company measures returns of 2,500 funds including several in-house managed funds of more than £1bn. Because of their size, many of these maintain an actual or de facto indexed core whose returns will be much closer to that of the FT-A Index. Any outperformance will be achieved in smaller satellite funds.

In contrast, the CAPS survey covers 1,700 pension funds with an average size of £120m and only 3 per cent of which are more than £500m. These pools are more likely to eschew indexation, assigning mandates which pay performance-related fees for outperforming a benchmark.

But even if the degree of outperformance varies between measurement services, why should the active managers have done far better on average than the market as a whole?

Mr Clamp says that the small companies factor may be at work. Indexers, unlike 1992's most successful fund managers, would have been required to hold small companies "and these were dogs last year," Mr Clamp notes.

But could the underweighting in small companies spell trouble for 1993? In the first two months of this year, the FT Small Capitalisation Index rose 12.1 per cent against a 2.4 per cent rise in the FT-A.

Also, the consultants say, several of the biggest fund managers had particularly good stock selection. Gartmore, for instance, was said to have switched heavily into recovery stocks immediately after the UK left the ERM. Similarly, Phillips &Drew, with an unusually low 48 per cent weighting in UK equities, concentrated its holdings in the very large stocks which performed best.

But if indices can vary so much, how is a pension fund client to decide which should be the benchmark? Mr Clamp argues that the FT-A remains a valid benchmark for indexed funds. However, perhaps it is time for performance measurement services to devise sub-categories of their own that would allow clients to compare performances more accurately.

Norma Cohen

WORLD STOCK MARKETS

CANADA

TORONTO

4 pm close March 5

Quotations in cents unless marked $

Sales	Stock	High	Low	Close	Chng
119300	Abitibi Pr	$13¾	13½	13⅝	+⅛
55800	AgnicoEa	$5¾	5½	5¾	+¼
64200	Air Cda	310	300	310	+5
10200	Alberta En	$18	17¾	17⅞	-¼
27200	AltaNtGas	$15⅜	14⅞	15⅜	+⅝
590200	Alcan Al x	$23¼	22⅝	22⅞	+¼
327800	Am Barr	u$22⅜	21⅞	22	+¼
205100	Atco Cl 1	$12¼	12	12	+⅛
939700	Bk Montr'l	$23¾	23¼	23½	
2254700	Bk Nova Sc	u$25⅝	24½	25¼	+⅜
12200	BC Sugar A	$11	10⅜	10⅝	-⅜
383900	BCE Inc	$46¼	46	46¼	
2300	Belmoral	10	10	10½	
3200	BGR A	$6¾	6¾	6¾	
451400	Bomb'dierB	$11	10½	10¾	+¼
10400	Bow Valley	$12⅞	12¾	12¾	
206200	Bramalea	52	48	48	-2
101500	Brascan A	$10½	10	10½	+½
322500	Breakwater	26	23	23	
57000	BC Tel	$20½	20⅛	20¼	
6300	Bruncor	u$21⅞	21¼	21⅞	+⅝
13700	Brunswick	$8⅜	8⅛	8⅜	
36800	CAE Ind	$5⅜	5¼	5¼	
50500	Cambior	$12¼	12⅛	12⅛	-⅛
1800	Cambridge	$14	13¾	14	
200	Cameco	$17¾	17¾	17¾	
11000	C'bell Res	40	38	40	+3
1204000	CanImpBk	$28⅞	28	28⅜	
18000	Can Occid	$27¾	27⅝	27¾	
1013200	Can Pac	$18⅛	17½	18	+½
600	Can Tire	$14½	d14½	14½	
144800	CanTire A	$13¼	12¾	13¼	+½
88900	Can Util A	$21½	21⅛	21⅛	-⅛
200	Can Util B	$21⅜	21⅜	21¼	
100	CanGenInv	$27⅜	27⅜	28½	
43600	Canarmax	26	25	26	
79500	Canfor	u$32⅜	29½	31⅞	+2
22700	CnPcForest	$21½	21⅜	21½	
28200	Cara Op	440	430	435	
3000	Cascades	$6½	6⅜	6½	
500	Celanese	$44	44	45½	
900	CntCpital	60	50	50	
20400	Cinepx Odn	175	165	168	-2
15100	Cntrl Fd A	450	450	450	
601000	Cominco	$17⅛	16¾	17	+⅛
96200	Coputalog	94	87	90	
61900	Corel Sys	$17⅞	17⅜	17⅝	+¼
3800	CoscanDev	155	151	155	+4
346400	CrownX A	u330	310	310	+10
12000	Denison A	30	30	30	
14400	Dertan	410	405	410	+5
260600	Dofasco	$13¾	13¼	13⅝	+⅜
143200	Dominn Txt	$9⅜	9⅛	9⅛	
235400	Domtar Inc	$5½	5⅜	5½	
60200	Du Pont A	$41½	41	41½	
8600	DundeeBncA	u415	400	400	
89000	Echo Bay M	$6⅞	6½	6⅝	+⅜
92500	Emco Ltd	$7	6⅞	7	
1300	Empire	$12¼	12¼	12¼	-¼
74400	Euro Nev	$17⅜	16¾	17⅜	+⅜
700	FPI Ltd	370	370	370	
20800	FahnstkVnr	$8½	8	8¼	
5800	Finning x	$13¾	13½	13½	
2500	Fst Mara A	$12	12	12	
2100	Fortis	$24⅛	24	24	-⅜
307100	Four Seasn	$17¼	17	17	-¼
79700	FrancoNev	$38	36	37¾	+1¼
1300	Gendis A	$19	19	19	
70400	Giants Gld	$8¼	8¼	8¼	
32100	GoldnStar	$9¾	9½	9⅝	-⅛
19300	Granges	197	190	195	
2800	GW Lifeco	$15	14¾	15	+⅛
96800	Gulf Cda R	370	345	365	
3200	GW Utils	$6	5¾	5⅞	
1200	HarrisSt A	$5⅝	5½	5⅝	
10000	Hawker Sid	$21⅜	21⅜	21⅜	
44900	Hees Intl	$7½	7¼	7½	+⅛
283500	Hemlo Gold	$8½	8⅛	8½	+½
14500	Hollinger	$10¼	10	10¼	+⅛
123400	Home Oil	$15⅜	15	15⅜	+⅝
90200	Horsham	u$13¼	12¾	13¼	+½
200	HudsBayM&S	500	500	500	
10400	HudsonsBay	$30¾	30½	30⅝	-¼
62500	Imasco x	$38⅜	38	38¼	+¼
86500	Imp Oil x	$44¼	44	44¼	+¼
204500	Inco	$28⅝	27¾	28⅛	+⅛
2700	IntMurexT	$6⅜	6⅜	6⅜	
489000	IntprPipe	$26⅛	25⅝	26	+⅜
3000	Invest Grp	$26¾	26½	26½	-¼
1000	Ivaco A	335	335	335	+10
16800	Jannock x	$15¼	15	15	
100800	KerrAddis	$19⅛	18¾	19	-⅛
46600	Labatt	$26⅛	26	26	
3638400	Lac Minls	$8⅞	7⅞	8⅝	+1
600	Lafarge	$21	20¾	21	-⅛
4000	Laidlaw A	$11⅛	11	11⅛	
272500	Laidlaw B	$11¼	11	11¼	+⅛
14500	Laurent Bk	$18⅞	18¾	18¾	
200	Laurent Gp x	480	480	480	
1120000	Lawson Mar	$9⅛	9	9	-⅛
133500	Loblaw	$21½	21¼	21¼	
115700	Mackenzie	$5¾	5⅝	5¾	+⅛
169100	Macm Bl x	$18⅜	18⅛	18⅝	+⅜
165100	Magna IntA	$40	38⅞	38⅞	-1
9800	Mpl Lf Fds	$13⅞	13¾	13⅞	+¼
5500	Mark T&T	$20⅜	20¼	20⅜	
557500	Mark Res	u$6⅜	6⅛	6⅜	+⅜
59400	MDS Hlth B	$16½	16	16	-¼
1000	Metall Min	$11⅜	11⅜	11⅜	-⅛
5200	Minnova	$15¾	15¾	15¾	
247300	Mitel Corp	239	228	235	+12
167400	Molson A	$27	26⅞	26⅞	+⅛
68000	Moore Corp x	$21¼	21	21⅛	-⅛
20000	Muscocho	7	7	7	
236400	Nat Bk Can	$9	8⅞	9	
64900	Noma Ind A	$6⅜	5¾	5⅞	+¼
589200	NorandaFor	u$9½	9⅜	9½	
136200	Noranda	$19½	18⅝	19	-⅜
100	Norcn8.12	$25¼	25¼	25¼	
72300	NorcnMWg	$18	17¾	17⅞	+⅛
202300	Nth Tele	$58¼	54¼	56	+1
1300	Northgate	85	85	85	
231500	Nova Corp	$8⅞	8¾	8⅞	+⅛
2500	Nowsco WSv	u$15½	15¼	15¼	
114400	Numac Oil	$6⅝	6½	6½	-⅛
87500	Onex Corp	$7¾	7½	7⅝	
7800	Oshawa A	$23	22⅞	23	
285700	PWA Corp	59	52	59	+8
70200	Pagurian A	200	185	199	+10
1200	Pancdn Pet	$35¾	35⅝	35¾	+⅛
118700	Pegasus	$18¾	18⅛	18½	+⅜
7000	PhilipEnv	$12	11⅞	12	
14600	Pioneer Mt	14	13	13	
419800	PlacerDome x	$17¼	17	17	+⅛
612900	Poco Pet	$5¾	5½	5⅝	
11100	Power Corp	$15⅞	15⅝	15¾	-¼
6200	Power Fin	$20¾	20⅜	20¾	+¼
1800	Quebecor A	$18	17¾	18	
406900	Ranger Oil	$6¾	6½	6½	-⅛
2500	Rayrock	$11⅛	10⅞	11⅛	+⅛
100	Reed Sten	$31½	31½	31½	
89700	Reitman S	$19	19	19	
55800	Ren'ssance	$22⅝	22⅜	22½	
281500	Repap Ent	290	275	285	-5
42900	Rio Algom	$19	18¾	19	
218200	RogersCantB	$16⅛	15¾	16	+⅛
200	Rothmans	$101	101	100	
1803700	RoyalBkCan	$26⅝	25⅞	26¼	
540600	Ryl Oak Mn	305	285	297	+7
167000	RylTrustco	173	168	168	-4
3700	StLawrCm A	$6⅝	6½	6½	-⅛
64700	SceptreRs	$6⅞	6¾	6⅞	
5000	ScottPaper	$12¼	11⅞	12¼	+½
3900	Scotts Hos	$9½	9⅜	9½	
221200	Seagram Co	$34⅛	33⅝	33⅞	+¼
187700	Sears Can	$7⅛	7	7⅛	
23300	ShellCan A	$36	35¾	35⅞	
201100	Sherritt G	$7½	7¼	7¼	-⅜
62800	SHL Syst	$11⅜	11⅛	11¼	-⅛
428600	SNC Group	$11½	10⅛	11½	+1⅝
5000	Sonora Gld	15	15	15	
310300	Southam	$14⅛	13½	14	
53200	Spar Aero	$16⅞	16½	16¾	-⅛
113200	Stelco A	230	221	230	+7
54900	TalismnEn	$18⅛	17¾	18	
224600	Teck B	$17½	17⅛	17⅜	+⅛
60100	Teleglobe	$15½	15¼	15½	
163800	Telus Corp	u$13½	13⅛	13⅛	-⅛
34300	Thomson	$14	13⅞	13⅞	-⅛
1270800	Tor Dom Bk	$16¼	15⅝	16⅛	+¼
7600	Torstar B	$24	23⅞	24	
116400	TotCanOG	u$14½	13¼	14½	+1⅛
36500	TransAlta	$13¾	13⅝	13¾	
476700	Transcan P	$18¼	18	18⅛	-⅛
131100	Trimac	u$13¾	13¼	13¼	
32000	Trizec A	250	235	236	+4
100	UAP A x	$16¾	16¾	16¾	
900	UnitedCorp	$26½	26½	26½	
7700	UtdDomInd x	$14¾	14⅝	14⅝	
238700	Univa	$10	9	9¾	-¼
40700	Viceroy Rs	$6¾	6⅝	6¾	+⅛
302700	W'coast E x	$17⅞	17⅜	17¾	+¼
900	Weston Geo	$36¼	36	36¼	-¼
25000	WIC B	$15¾	15⅜	15¾	+⅜

1 - No voting rights or restricted voting rights

MONTREAL

4 pm close March 5

Sales	Stock	High	Low	Close	Chng
138200	BombrdierB	$11⅛	10½	10⅞	+⅜
15800	Cambior	$12¼	12⅛	12¼	+⅛
264400	CanImp Bk	$28⅞	28⅛	28½	+¼
1300	CanMarconi	$14¼	14¼	14¼	
4600	Cascades	$6½	6⅜	6⅜	-¼
1700	DominTxt A	$9⅜	9¼	9⅜	+⅛
108500	MacleanHnt	$11⅞	11⅝	11⅝	-¼
590700	NatBk Can	$9⅛	8⅞	9	
500	Quebecor A	$17¾	17¾	17¾	
77400	Teleglobe	$15½	15⅜	15⅜	
30000	Univa	$9⅞	9⅜	9⅝	-⅜
11100	Videotron x	$18¾	18½	18⅝	

Total Sales 33,207,400 shares

INDICES

NEW YORK

DOW JONES	Mar 5	Mar 4	Mar 3	Mar 2	1992/93 HIGH	1992/93 LOW	Since compilation HIGH	Since compilation LOW
Industrials	3404.58	3398.91	3404.04	3400.53	3442.14 (5/2/93)	3136.58 (9/10/92)	3442.14 (5/3/93)	41.22 (2/7/32)
Home Bonds	105.95	106.29	106.17	105.92	106.29 (4/3/93)	98.41 (20/3/92)	106.29 (4/3/93)	54.99 (1/10/81)
Transport	1538.45	1520.11	1513.67	1498.16	1589.61 (8/2/93)	1204.40 (26/8/92)	1589.61 (8/2/93)	12.32 (8/7/32)
Utilities	238.73	241.30	241.61	240.30	241.61 (3/3/93)	200.74 (8/4/92)	241.61 (3/3/93)	10.50 (8/4/32)

DJ Ind. Day's High 3447.81 (3423.77) Low 3373.25 (3372.43) (Theoretical◆)
Day's High 3433.22 (3409.18) Low 3392.16 (3388.91) (Actual◆)

STANDARD AND POOR'S	Mar 5	Mar 4	Mar 3	Mar 2	1992/93 HIGH	1992/93 LOW	Since compilation HIGH	Since compilation LOW
Composite ‡	446.11	447.34	449.26	447.90	449.56 (4/2/93)	394.50 (8/4/92)	449.56 (4/2/93)	4.40 (1/6/32)
Industrials	513.29	513.84	516.35	515.38	518.43 (4/2/93)	470.81 (8/4/92)	518.43 (4/2/93)	3.62 (21/6/32)
Financial	43.40	43.63	43.84	43.49	44.32 (4/2/93)	32.40 (8/4/92)	44.32 (4/2/93)	8.64 (1/10/74)
NYSE Composite	245.98	248.53	247.41	246.54	247.98 (4/2/93)	217.92 (8/4/92)	247.98 (4/2/93)	4.46 (25/4/42)
Amex Mkt. Value	413.80	412.84	413.47	410.07	418.99 (12/2/92)	364.85 (9/10/92)	418.99 (12/2/92)	29.31 (9/12/72)
NASDAQ Composite	681.37	680.73	683.92	677.72	708.85 (4/2/93)	547.84 (26/6/92)	708.85 (4/2/93)	54.87 (31/10/72)

	Feb 26	Feb 19	Feb 12	year ago (approx.)
Dow Industrial Div. Yield	3.02	3.07	3.00	2.79
	Mar 3	Feb 24	Feb 17	year ago (approx.)
S & P Industrial div. yield	2.48	2.53	2.55	2.61
S & P Indl. P/E ratio	26.18	26.88	28.51	26.61

NEW YORK ACTIVE STOCKS

Friday	Stocks traded	Closing price	Change on day
Wal-Mart	4,073,000	32¾	- ⅛
Unisys Corp	3,610,400	13⅛	+ ¼
Humana	3,441,600	6⅛	- ⅞
Gen Motors	2,781,600	39	+ ⅞
Stor Tech	2,674,100	24	+ 1
IBM	2,664,800	55⅜	+ ½
Philip Morris	2,610,300	64½	- ⅛
Chrysler	2,588,700	38⅞	—
Merck	2,430,400	37½	- ¼
Pfizer	2,294,600	58⅞	- 1⅝

TRADING ACTIVITY

† Volume (Millions)	Mar 5	Mar 4	Mar 3
New York SE	247.130	230.780	272.290
Amex	14.198	14.616	15.561
NASDAQ	(u)	232.045	237.383
NYSE			
Issues Traded	2,484	2,491	2,496
Rises	912	957	1,268
Falls	958	919	626
Unchanged	614	615	602
New Highs	139	233	270
New Lows	9	13	11

CANADA

TORONTO	Mar 5	Mar 4	Mar 3	Mar 2	1992/93 HIGH	1992/93 LOW
Metals & Minerals	2819.56	2815.09	2828.35	2833.00	3238.87 (16/1/92)	2529.91 (17/11/92)
Composite	3524.49	3501.30	3467.18	3446.22	3666.00 (16/1/92)	3195.40 (14/10/92)
MONTREAL Portfolio	1816.03	1801.10	1788.82	1769.70	1937.59 (16/1/92)	1663.16 (14/10/92)

Base values of all indices are 100 except NYSE All Common - 50; Standard and Poor's - 10; and Toronto Composite and Metals - 1000. Toronto indices based 1975 and Montreal Portfolio 4/1/83. † Excluding bonds.‡ Industrial, plus Utilities, Financial and Transportation. (c) Closed. (u) Unavailable. ◆ The DJ Indl. index theoretical day's highs and lows are the averages of the highest and lowest prices reached during the day by each stock; whereas the actual day's highs and lows (supplied by Telekurs) represent the highest and lowest values that the index has reached during the day. (The figures in brackets are previous day's).

	Mar 5	Mar 4	Mar 3	Mar 2	1992/93 HIGH	1992/93 LOW
AUSTRALIA						
All Ordinaries (1/1/80)	1613.6	1622.9	1626.1	1645.0	1684.50 (23/5/92)	1357.20 (16/11/92)
All Mining (1/1/80)	625.0	628.8	628.2	635.4	726.80 (3/7/92)	545.40 (16/11/92)
AUSTRIA						
Credit Aktien (30/12/84)	357.54	355.17	357.58	356.34	458.57 (24/2/92)	291.41 (13/8/92)
Traded Index (2/1/91)	858.31	854.15	860.17	860.08	1099.43 (24/2/92)	682.98 (13/8/92)
BELGIUM						
BEL20 (1/1/91)	1220.19	1204.71	1209.51	1209.26	1236.40 (2/6/92)	1046.07 (2/9/92)
DENMARK						
Copenhagen SE (3/1/83)	282.09	280.51	280.28	278.98	365.29 (15/1/92)	250.42 (30/10/92)
FINLAND						
HEX General (28/12/90)	1004.6	998.3	981.2	963.0	1004.60 (5/3/93)	541.00 (7/9/92)
FRANCE						
CAC General (31/12/81)	531.41	528.85	531.32	527.96	555.93 (12/5/92)	441.78 (7/10/92)
CAC 40 (31/12/87)	1995.12	1986.75	1995.24	2001.50	2077.49 (11/5/92)	1611.04 (5/10/92)
GERMANY						
FAZ Aktien (31/12/58)	667.42	663.99	668.75	668.16	725.26 (26/5/92)	565.61 (12/10/92)
Commerzbank (1/12/53)	1881.50	1871.50	1885.70	1877.80	2043.80 (25/5/92)	1594.60 (12/10/92)
DAX (30/12/87)	1682.82	1667.40	1683.73	1686.74	1811.57 (25/5/92)	1420.30 (6/10/92)
HONG KONG						
Hang Seng Bank (31/7/64)	6502.81	6467.80	6436.64	6344.23	6502.81 (5/3/93)	4301.78 (2/1/92)
IRELAND						
ISEQ Overall (4/1/88)	1355.60	1366.45	1373.73	1367.47	1469.57 (17/1/92)	1094.88 (19/10/92)
ITALY						
Banca Com. Ital. (1972)	535.47	536.72	533.14	536.68	561.59 (6/2/92)	354.93 (15/9/92)
MIB General (4/1/93)	1182.0	1186.0	1177.0	1186.0	1188.00 (2/3/93)	992.00 (11/1/93)
JAPAN						
Nikkei (16/5/49)	16817.70	16759.61	16853.92	16864.25	23801.18 (6/1/92)	14309.41 (18/8/92)
Tokyo SE (Topix) (4/1/68)	1268.31	1268.11	1272.58	1275.82	1763.43 (6/1/92)	1102.50 (18/8/92)
2nd Section (4/1/68)	1680.75	1686.26	1688.45	1675.20	2459.85 (8/1/92)	1502.77 (19/8/92)
MALAYSIA						
KLSE Composite (4/4/86)	638.34	636.67	636.44	637.00	680.35 (5/11/92)	546.83 (14/1/92)
NETHERLANDS						
CBS TtlRtn.Gen.(End 1983)	322.0	318.7	317.7	315.0	322.00 (5/3/93)	274.00 (6/1/92)
CBS All Shr (End 1983)	216.7	214.6	213.8	212.0	216.70 (5/3/93)	189.70 (25/8/92)
NORWAY						
Oslo SE (Ind) (2/1/83)	727.44	711.21	709.21	705.33	772.74 (18/5/92)	532.43 (25/8/92)
PHILIPPINES						
Manila Comp (2/1/85)	1543.16	1539.85	1518.67	1473.95	1580.95 (11/6/92)	1093.01 (17/3/92)
SINGAPORE						
SES All-Singapore (2/4/75)	419.87	419.78	418.58	417.97	421.27 (24/2/93)	351.41 (21/10/92)
SOUTH AFRICA						
JSE Gold (28/9/78)	993.0♥	933.0	947.0	947.0	1327.00 (21/1/92)	746.00 (10/11/92)
JSE Industrial (28/9/78)	4402.0♥	4404.0	4439.0	4466.0	4689.00 (4/6/92)	3936.00 (19/10/92)
SOUTH KOREA**						
Korea Comp Ex. (4/1/80)	615.57	622.22	632.99	633.73	709.77 (8/1/92)	459.07 (21/8/92)
THAILAND						
Bangkok SET (30/4/75)	898.74	903.47	905.98	[illegible]	[illegible]	[illegible]
WORLD						
M.S. Capital Intl.(1/1/70) $	512.3*	513.7	515.6	[illegible]	[illegible]	[illegible]
Euro Top-100 (26/6/90)	946.28	941.95	945.63	[illegible]	[illegible]	[illegible]

**Saturday February 27: Taiwan Weighted Price: 4,384.87, Korea Comp Ex. 8[illegible]
♥ Subject to official recalculation.
GMT.

Base values of all indices are 100 except Austria Traded, BEL20, HEX Gen., MIB [illegible] 1,000, JSE Gold - 255.7, JSE 20 Industrials - 264.3 and Australia All Ordinar[illegible]

TOKYO - Most Active Stocks

Friday, March 5, 1993

	Stocks Traded	Closing Prices	Change on day		Stocks Traded	Closing Prices	Change on day
NEC Corp	8.2m	681	+41	Seven-Eleven	3.1m	6430	+100
Fujikura	3.7m	595	+25	Nikko Kyodo	3.0m	383	+2
Fujisawa Pharm	3.5m	845	+67	Shizuoka Bank	2.9m	1200	-30
Showa Shell	3.5m	838	+30	Hitachi	2.8m	689	+14
Nippon Steel	3.2m	291	-1	Meiji Seika	2.7m	678	+5

FT MANAGED FUNDS SERVICE

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AUTHORISED UNIT TRUSTS

Unit Name	Init Chrge	Canc. Price	Bid Price	Offer Price	Yield Gr's	City-line
AIB Unit Trust Managers Limited (1000)F						
51 Belmont Rd, Uxbridge, Middx UB8 1RZ 0895 259783						
AIB Grofund American	5	164.3	166.1	174.8	0.00	40591
AIB Grofund Equity	5	209.1	212.0	224.4	3.80	40593
AIB Grofund Euro	5	163.2	163.9	174.3	0.26	40594
AIB Grofund Expt Balanced	3	101.8	103.7	107.8	2.28	–
AIB Grofund Gilt	3	78.15	78.30	80.73	5.50	40595
AIB Grofund Japan	5	131.1	132.6	139.6	0.00	40596
AXA Equity & Law Unit Tst Mngrs (1200)H						
Equity & Law Hse, Corporation St, Coventry 0203 553231						
General Inc	5	419.6	421.3	448.2	2.62	40401
General Acc	5	456.9	458.8	488.1	2.62	41570
UK Growth Acc	6	307.6	311.7	331.7	2.94	40392
UK Growth Inc	6	220.5	223.5	237.8	2.94	40393
Higher Inc Acc	6	552.8	560.7	596.5	4.04	40394
Higher Inc Inc	6	341.0	345.9	368.0	4.04	40395
Gilts/F xd Int Acc	5½	176.0	176.0xd	185.8	6.65	40396
Gilts/F xd Int Inc	5½	92.29	92.29xd	97.40	6.65	40397
Nth America	6	261.8	266.5	283.6	0.00	40398
Far East	6	259.5	259.5	276.1	0.32	40399
Europe	6	217.4	217.4	231.3	1.29	40400
Brit. Excell	6	63.55	63.55	67.61	2.99	40402
Brit Fndmntls Acc	6	83.78	83.78	89.13	5.24	40403
Brit Fndmntls Inc	6	65.76	65.76	69.96	5.24	40404
Global Opps	6	69.13	69.13	73.55	0.02	44880
Abbey Unit Tst Mngrs (1000)H						
80 Holdenhurst Rd, Bournemouth 0345 717373						
Gilts & Fixed Int	6	129.3	129.3xd	137.1	6.93	40081
High Inc Equity	6	148.1	151.0	160.6	5.29	40082
Worldwide Bond	6	266.8	266.8xd	282.9	4.42	40083
American Growth	6	292.1	292.1	312.4	.64	40084
Asian Pacific	6	210.6	215.3	229.0	.85	40085
Assets & Earnings	6	225.6	230.1	244.7	2.60	40086

Unit Name	Init Chrge	Canc. Price	Bid Price	Offer Price	Yield Gr's	City-line
Britannia Life Unit Managers Ltd (1200)F						
50 Bothwell Street, Glasgow G2 6HR 041-223 6020						
Balanced Growth	6	93.72	94.81	101.40	2.39	40427
Do (Accum)	6	102.32	103.51	110.71	2.39	40428
Smaller Cos	6	75.81	77.57	82.97	1.81	40433
Do (Accum)	6	81.98	83.88	89.71	1.81	40434
Higher Yield	6	37.41	37.88	40.51	4.52	40429
Do (Accum)	6	51.04	51.67	55.27	4.52	40430
American Gth Inc	6	57.10	57.22xd	61.20	0.00	40425
Do (Accum)	6	58.18	58.31	62.36	0.00	40424
European Growth	6	94.70	94.70xd	101.29	1.78	40319
Do (Accum)	6	96.02	96.02	102.70	1.78	–
Global Bond Inc	6	29.57	29.63	31.43	5.78	46895
Do (Accum)	6	36.41	36.48	38.70	5.78	46896
Managed P'folio Inc	6	34.25	34.34	36.73	1.54	40147
(Do Accum)	6	34.35	34.43	36.83	1.54	40142
Pacific Growth Accum	6	88.59	89.62	95.85	1.17	40323
Intl Spec Opps Accum	6	85.36	86.40	92.45	1.09	40320
Brown Shipley & Co Ltd (1000)F						
9-17 Perrymount Rd Haywards Hth 0444 412762						
Mngd P'folio Inc	6	91.22	91.22xd	97.15	2.14	40186
Mngd P'folio Acc	6	172.4	172.4	183.6	–	40187
UK General	6	148.5	148.5	158.2	3.21	40188
European Inc	6	22.82	22.82	24.58	0.46	40191
European Acc	6	23.57	23.57	25.38	–	40192
Financial	6	116.2	116.2xd	123.7	3.99	40194
Foundation	6	73.72	75.36	80.26	3.50	40834
German	6	43.04	43.04	46.14	0.09	40195
Growth Inc (5-1)	5	28.27	28.27	30.20	3.07	41583
Growth Acc (5-1)	5	32.92	32.92	35.16	–	40228
High Income	6	70.62	71.17xd	76.51	7.21	40196
Income	6	124.5	126.6	135.5	4.28	40197
Intl Income	6	89.46	89.46	95.27	5.06	40289
Intl Growth ◆	6	32.78	32.78	34.91	0.22	40198
Monthly Income	6	68.74	70.82	75.42	8.47	40312
North American	6	105.7	106.7	113.7	0.19	40199
Orient ◆	6	100.6	100.6	108.3	–	40200
Recovery	6	35.59	37.19	39.98	2.95	40201
Smaller Cos Acc	6	259.1	275.6	293.5	–	40202
Smaller Cos Inc	6	151.7	161.4	171.9	1.34	40203
Brycourt Unit Tst Mgmt Ltd (1400)F						
Hesketh Hse, Portman Sq, W1H 0JR 071-935 6382						
Income Growth	1	192.5	192.5	197.7	6.31	40204
Buckmaster Mangmt Co Ltd (0930)H						
15 St Botolph Street, London EC3A 7JJ 071-247 4542						

[illegible]

Unit Name	Init Chrge	Canc. Price	Bid Price	Offer Price	Yield Gr's	City-line
NFU Unit Trust Mngrs (1200)F						
The Bitten Centre, North Harbour, Portsmouth						
Enquiries: 0705 372222 Dealing 0705 387730						
American ♥	5½	44.31	44.31	47.26	0.72	41072
(Accum Units) ♥	5½	48.22	48.22	51.43	0.72	41073
Australian ♥	5½	255.4	256.9	275.2	0	41074
(Accum Units) ♥	5½	288.8	290.1	311.2	0	41075
Conscience	5½	62.82	62.82	67.04	1.48	41076
(Accum Units)	5½	67.46	67.46	71.99	1.48	41077
European	5½	168.1	168.1	179.3	1.23	41078
(Accum Units)	5½	179.4	179.4	191.3	1.23	41079
Extra Income	5½	71.02	71.02	75.79	5.8	41080
(Accum Units)	5½	107.1	107.1	114.3	5.8	41081
Far East Gth Acc	5½	147.5	147.5	157.6	0.12	41082
Gilt & F.I.	5½	58.15	58.15	61.55	7.49	41083
(Accum Units)	5½	137	137	144.9	7.49	41084
Gold ♥	5½	28.98	29.27	31.47	0	41085
(Accum Units) ♥	5½	31.21	31.52	33.89	0	41086
Income	5½	51.07	51.07	54.47	5.51	41087
(Accum Units)	5½	153.1	153.1	163.3	5.51	41088
Intl	5½	28.41	28.41	30.48	0.95	41089
(Accum Units)	5½	40.81	40.81	43.78	0.95	41090
Jap Smaller Cos	5½	247.1	247.1	263.5	0	41091
Sing & Malaysia	5½	149.2	149.2	160	0	41092
(Accum Units)	5½	155.2	155.2	166.4	0	41093

Guide to pricing of Authorised Unit Trusts

Compiled with the assistance of Lautro §§

INITIAL CHARGE: Charge made on sale of units. Used to defray marketing and administrative costs, including commission paid to intermediaries. This charge is included in the price of units.

OFFER PRICE: Also called issue price. The price at which units are bought by investors.

BID PRICE: Also called redemption price. The price at which units are sold back by investors.

CANCELLATION PRICE: The minimum redemption price. The maximum spread between the offer and bid prices is determined by a formula laid down by the government. In practice, most unit trust managers quote a much narrower spread. As a result, the bid price is often set above the cancellation price. However, the bid price might be moved to the cancellation price by the managers at any time, usually in circumstances in which there is a large excess of sellers of units over buyers.

TIME: The time shown alongside the fund manager's name is the time of the unit trust's valuation point unless another time is indicated by the symbol alongside the individual unit trust name. The symbols are as follows: (♥) - 0001 to 1100 hours; (♣) - 1101 to 1400 hours; (◆) - 1401 to 1700 hours; (♠) - 1701 to midnight. Daily dealing prices are set on the basis of the valuation point; a short period of time may elapse before prices become available.

HISTORIC PRICING: The letter H denotes that the managers will normally deal on the price set on the most recent valuation. The prices shown are the latest available before publication and may not be the current dealing levels because of an intervening portfolio revaluation or a switch to a forward pricing basis. The managers must deal at a forward price on request, and may move to forward pricing at any time.

FORWARD PRICING: The letter F denotes that the managers deal at the price to be set on the next valuation. Investors can be given no definite price in advance of the purchase or sale being carried out. The prices appearing in the newspaper are the most recent provided by the managers.

SCHEME PARTICULARS AND REPORTS: The most recent report and scheme particulars can be obtained free of charge from fund managers.

Other explanatory notes are contained in the last column of the FT Managed Funds Service.

§§ Life Assurance and Unit Trust Regulatory Organisation,
Centre Point,
103 New Oxford Street, London WC1A 1QH
Tel: 071 – 379 – 0444.

FT MANAGED FUNDS SERVICE

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Sharp (Albert E.) & Co (1000)F
Admin: 5 Rayleigh Rd Hutton Brentwood Essex
Enquiries 0277 227300 Dealing 0277 261010

Unit Name	Init Chrge	Canc. Price	Bid Price	Offer Price	Yield Gr's	City-line
AES European	5	108 80	109 30	115 10	1 40	-
AES Intl Bond & Conv	5	126 40	126 60	133 30	5 42	47424
AES Pooled Pension A	7	£151 7	155 6	166 4	-	47257
AES Smaller Cos	5	61 26	63 20	66 53	1 97	46203
AES UK General	5	118 10	120 10	126 40	2 71	-

Sheppards Unit Trust Mngmt Ltd (1200)F
1 White Hart Yard, London Bridge SE1 071 407 5966

Unit Name	Init Chrge	Canc. Price	Bid Price	Offer Price	Yield Gr's	City-line
Income	5	390.22	390 22xd	415 13	4 99	40913
Global Inc	5	58 07	58 07xd	61 78	3 94	40916
Brit Leaders	5	318 83	318 83xd	339 18	3 02	40914
Intl Leaders	5	188.16	188.16xd	200.17	1 64	40915
P&s Man Bal Gwth Inc ♦	3¼	53 32	54 56xd	56 69	3	-

Singer & Friedlander UT Mngmt Ltd (1000)F
PO Box 224, Beckenham, BR3 4TF 081-663 3003

Unit Name	Init Chrge	Canc. Price	Bid Price	Offer Price	Yield Gr's	City-line
European Trust	6	53 12	53 22	56.62	1 33	42092
Far Eastern Tst	6	56 03	56.89	60 52	1.14	-
Smaller Cos	5	141 9	146 3	155 6	1 87	47431

Smith & Williamson Unit Tst Mgrs (1600)F
1 Riding House St, London W1A 3AS 071-637 5377

Unit Name	Init Chrge	Canc. Price	Bid Price	Offer Price	Yield Gr's	City-line
S & W American ♦	5	275 9	276 5	292 6	0 92	41390
S & W Capital	5	116 6	116 6xd	124 8	1.90	40181
S & W Cash ♦	0	102.61	102.61	102.61	5 74	47903
S & W European	5	116 9	117 0	123 8	1.60	40253
S & W Far Eastern	5	121 5	122 7xd	129 8	0 07	40474
S & W Growth	5	124 3	125 7xd	133 0	1 58	41391
S & W Income	5	111 2	112.4xd	118 9	4 90	41392
S & W Magnum	5	123 4	123 4	132.1	2 07	47800
S & W Smllr Secs	5	301 5	307 6	325 4	0 64	41393
S & W Thoroughbred	5	143 0	143 0	153.1	1 76	40063

Societe Generale Touche Remnant (1200)F
Mermaid Hse, 2 Puddle Dock, EC4V 3AT 071-410 4029

Unit Name	Init Chrge	Canc. Price	Bid Price	Offer Price	Yield Gr's	City-line
American Gwth	5¼	83 11	83 11xd	88.88	0	41525
Eur Sp Sits Acc	5¼	45 61	45 61	48 48	0	41526
Eur Sp Sits Inc	5¼	43 08	43 08	45 78	0	41527
Far East Opps Inc	5¼	30 01	30 01	32 39	0	41680
Far East Opps Acc	5¼	30 83	30 83	33 28	0	41685
General Growth	5¼	97 66	97 66	104 60	2 39	41528
General Growth Acc	5¼	100 10	100 10	107 30	2 40	47438

Whittingdale Unit Tst Mgmt Ltd (0830)F
2 Honey Lane, London EC2V 8BT 071-600 0462

Unit Name	Init Chrge	Canc. Price	Bid Price	Offer Price	Yield Gr's	City-line
Challenger	2¼	94 09	94 09	96.29	0 00	41596
Short Dtd Gilt	1¼	110 1	110.1	111 6	4 47	41597
U.S. Govmt Bond	1¼	$0.7133	0.7133	0.7226	0 00	41598
Gilt Income	4	53 13	53 13	55 29	8.00	47810
Gilt Growth	4	66 17	66.17	68.88	0 00	47809
City Reserve	0	52.28	52 28	52.28	5 83	47086

Woolwich Unit Trust Managers Ltd (1700)H
2 White Oak Square Swanley BR8 7AG 081 298 4000

Unit Name	Init Chrge	Canc. Price	Bid Price	Offer Price	Yield Gr's	City-line
Stockmarket Fd F	5	66 44	66 65	70 90	2.23	45998

OTHER UK UNIT TRUSTS

Baillie Gifford & Co Ltd

	Bid Price	Offer Price	Yield Gross	City-line
Int'l Exps Mar 3	658 2	680 1	1 02	40105

Baring Investment Mngmt Ltd
155 Bishopsgate, London EC2M 3XY
071 214 1050 (general enquiries) 071 214 1004 (dealing)

Charitable Funds	Bid Price	Offer Price	Yield Gross	City-line
UK Growth & Income	52.84	54 73	5.0	-
Income Plus	50 07	51 10	7 4	-

James Capel Fund Managers Ltd

	Bid Price	Offer Price	Yield Gross	City-line
European Exempt	£11.375	12.591xd	2 97	-
Japanese Exempt	£112.005	111.796	-	-
Managed Exempt	£130.535	138.03	3 04	43126
North American Exempt	£105.718	107.549	1.12	-
Pacific Exempt	£116.244	118.496	2.85	-

Cent. Bd. of Fin. of Church of England‡‡
2 Fore Street, London EC2Y 5AQ 071-588 1815

	Bid Price	Offer Price	Yield Gross	City-line
Inv Fund Feb 28	604.15	609 40	4.74	40251
Fxd Int Sec Feb 28	155 70	156.45	9 27	40252

Deposit Fund See Money Market Trust Funds.

INSURANCES

Continued on next page

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Prolific Life & Pensions Ltd

Stramongate, Kendal, Cumbria LA9 4BB 0539 733733

Managed Fund see Balanced Growth Managed Fund

	Bid Price	Offer Price	Yield Gross	City-line
Life Funds				
Adventurous Mngd	168.1	178.9	-	46402
Balanced Grth Mngd	687.2	731.1	-	43315
Cautious Mngd	130.8	139.2	-	46403
Cash Fd	318.5	335.7	-	43316
Property Fund	217.1	231.0	-	43317
Gilt Fund 20	451.8	480.7	-	43329
Equity Fund	787.3	837.6	-	43318
Fxd. Int. Fund	424.8	447.7	-	43319
International	350.5	372.9	-	43320
High Income	617.5	657.0	-	43321
Technology	459.0	488.4	-	43325
North American	474.0	504.3	-	43323
Far East	463.0	492.6	-	43322
Special Sits	566.9	603.1	-	43324
Extra Inc Fd.	334.9	356.3	-	43326
American Income	191.5	203.8	-	43328
Convertible & Gilt Fd.	162.0	172.4	-	43327
European Fund	127.1	135.3	-	43330
Pref & Fixed Int.	116.0	123.5	-	46332
UK Blue Chip	120.6	127.1	-	47044
Recovery Fund	120.0	126.5	-	47056
Equity Income Dist.	111.2	118.4	5.08	47816
Managed Dist.	104.9	111.7	5.77	47817
High Yield Dist.	105.8	111.5	8.00	44422
Pension Funds				
Adventurous Mgd Pens Acc	178.7	188.2	-	46404
Balncd Grth Mgd Pens Acc	810.7	853.4	-	43331
Cautious Mngd Pens Acc	151.9	159.9	-	46405
Building Soc. Acc.	367.8	387.2	-	43332
Property Pens. Acc.	296.4	312.0	-	43333
Fix. Int. Pens. Acc.	674.5	710.1	-	43334
Equity Pens. Acc.	1035.5	1090.0	-	43335
International Pens Acc	328.3	345.6	-	43336
High Inc Pens Acc	700.3	737.2	-	43337
Tech Pens Acc	324.1	341.2	-	43338
N American Pens Acc	365.8	385.1	-	43339
Far Eastern Pens Acc	472.3	497.2	-	43340
Special Sits Pens Acc	467.8	492.5	-	43341
Extra Income Pens Fd.	411.9	433.6	-	43342
American Inc. Pens	222.8	234.6	-	43344
Convertible & Gilt Pen.	197.9	208.4	-	43343
European Pens	142.7	150.3	-	43345
Managed Cash Pens	173.1	182.3	-	46753
Pref & Fixed Pens	135.1	142.3	-	46333
UK Blue Chip	[illegible]	[illegible]	-	[illegible]

Reliance Mutual

Reliance House, Tonbridge Wells, Kent 0892 510033

	Bid Price	Offer Price	Yield Gross	City-line
Deposit Acc Fd.	169.4	178.3	-	43575
Equity Acc Fd.	415.1	437.0	-	43576
Managed Acc Fd.	367.3	386.7	-	43577
Prop Fd (1st issue)	-	667.2	-	43578
Prop Acc Fd (2nd iss)	125.9	132.5	-	43579
Unit Trust Mn. Fd.	177.8	187.1	-	43580
RL Pension Funds				
Deposit Acc	246.6	259.6	-	43581
Equity Acc	313.4	329.9	-	43582
Fixed Int Acc	254.7	268.1	-	43583
Gilt Index Lnk Acc	191.8	201.9	-	43584
Managed Acc	412.6	434.3	-	43586

J Rothschild Assurance PLC

J Rothschild House, Dollar Street, Cirencester

Telephone: 0285 640302 Helpline: 041 307 6500

	Bid Price	Offer Price	Yield Gross	City-line
Life Funds				
Income Distribution	97.30	102.6	-	-
JRA/M&G Managed	120.6	127.0	-	46639
JRA/Sarasin Autocath Mngd	115.9	122.1	-	46996
JRA/St James's Place Mngd	123.5	130.1	-	47133
Deposit	100.6	105.9	-	46281
Far East	127.5	134.3	-	46304
Gilts	110.0	115.8	-	46397
Greater European	117.8	124.1	-	46488
North American	157.2	164.5	-	46859
UK Equity	121.0	127.4	-	47134
Pension Funds				
JRA/M&G Managed cap	119.4	125.7	-	46800
JRA/M&G Managed acc	124.0	130.6	-	46714
JRA/Sarasin Autocath Mngd cap	116.2	122.4	-	47129
JRA/Sarasin Autocath Mngd acc	120.7	127.1	-	47128
JRA/St James's Pl Mngd cap	129.9	136.8	-	47131
JRA/St James's Pl Mngd acc	134.9	142.1	-	47130
Deposit cap	100.4	105.7	-	46285
Deposit acc	104.3	109.8	-	46284
Far East cap	125.6	132.3	-	46395
Far East acc	130.5	137.4	-	46358
Gilts cap	107.8	113.5	-	46401
Gilts acc	112.0	117.9	-	46399
Greater European cap	120.7	127.1	-	46578
Greater European acc	125.4	132.0	-	46489
North American cap	135.5	142.7	-	46957
North American acc	140.8	148.3	-	46860
UK Equity cap	121.9	128.4	-	47136
UK Equity acc	126.7	133.4	-	47135

OFFSHORE INSURANCES

MANAGEMENT SERVICES

OFFSHORE AND OVERSEAS

BERMUDA (SIB RECOGNISED)

CANADA (SIB RECOGNISED)

GUERNSEY (SIB RECOGNISED)

IRELAND (REGULATED)(**)

GUERNSEY (REGULATED)(**)

ISLE OF MAN (SIB RECOGNISED)

ISLE OF MAN (REGULATED)(**)

IRELAND (SIB RECOGNISED)

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	Bid Price	Offer Price	Yield Gross	City-line
IBI Global Funds Limited				
Intl Stlg Gwth	£22 18	23 36	-	45289
Intl $US Gwth	$18 53	19 52	-	45290
High Income Gilt	£27 52	28 53	-	45291
International Equity	£22 84	24 06	-	45292
International Bond	£24 71	25 68	-	45293
Managed Currency	£28 13	28 42	-	45294
Sterling Currency	£26 87	27 15	-	46030
US$ Currency	$37 89	38 29	-	46031
Irish £ Currency	I£15 91	16 08	-	46029
R & H Fund Managers Ltd				
LFM Sterling Fd	£11 42	11 90	-	44455
B F Offshore Inc Fd Ltd	£12 58	13 11	-	46580
IMC Offshore Fd	£10 01	10 84	-	46450
Nelson Miles W/W S/S	£11 62	11 95	-	46581

JERSEY (SIB RECOGNISED)

Unit Name	Init Charge	Canc. Price	Bid Price	Offer Price	Yield Gr's	City-line
AIB Fund Managers (CI) Ltd						
PO Box 468 St Helier Jersey						0534 36633
AIB Currency Funds Ltd						
Intl Managed Bond	5		I£-22.4860	22.6475	-	47337
Managed Capital Bd	5		I£-22.4643	22.4940	-	47754
AIB Grafund Currency Fund Limited						
Stlg Mngd Currency	5	£-	11 1210		-	44685
Sterling Currency Fd	5	£-	10 6870		-	44683
Ecu Currency	5	Ecu-	11 1204		-	46682
US Dollar Mngd Curr	5	$-	21 7782		-	47336
Barclays International Funds						
PO Box 152, St Helier, Jersey CI						0534 67888
Australian Eq (Inc)	5¼	£1 049	1 054	1.127	1 1	44738
Global Income (Inc)	5¼	£0 569	0 569	0 609	3 0	44739
Global Resources	5¼	£0 449	0 449	0.480	0.2	44742
Currency Funds						
Stlg Premium Income		£10 02	10 03		5.7	47926
Sterling		£-	23 84		5 5	44718
US Dollar		$-	32.60		1 8	44719
Deutschemark		DM-	61 64		7 4	44720
Yen		Y-	4235		1.6	44721
Managed Multicurrency		£-	15.87	16 44	-	44722
Managed Multicurrency		$-	26.11	27 03	-	44723
Bond Funds						
Sterling Bond	3½	£-	0 437	0.454	9 0	44724

	Bid Price	Offer Price	Yield Gross	City-line
Lloyds Bank Trust Co (CI) Mngrs				
Lloydstrust World Inv Port.	£2 622	2 789	1.21	-
Dealing Weekly on Thursday				
Management International (Jersey) Ltd				
Anchor Gilt Edge (z)	£10 30	10.35	4.08	45030
Minerals, Oils Res. Shrs. Fd. Inc.				
Mores Mar 4	$13 80	14 09	2 84	45476
For Nat. Westminster see Coutts & Co				
Northgate Unit Tst. Mngr. (Jersey) Ltd				
Pacific Fund Mar 4	$35 95	38 25	-	45567
Perpetual UT Mngrs (Jersey) Ltd				

Unit Name	Init Charge	Canc. Price	Bid Price	Offer Price	Yield Gr's	City-line
Den norske Bank						
11 Rue Aldringen 2960 - Lux						010 352 468191
DnB I Nordic Bond		NKr-	12680 50		-	45864
DnB I Nordic Equities		NKr-	8219.09		-	45866
Disa Income Fund						
68 Blvd Petrusse, L 2320, Luxembourg						(352) 407330
DISA Income		$-	44 18		11 5	44568
Dresdnerbank Asset Mngmt SA (u)						
13 Rue Beaumont, L-1219 Luxembourg						
Dr-Lux Bondspezial (Inc)		DM-	74 72	76 96	-	47828
Dr-Lux Bondsestial (Cap)		DM-	82 03	84 49	-	-
E.T. Investment Management Ltd						

Unit Name	Init Charge	Canc. Price	Bid Price	Offer Price	Yield Gr's	City-line
Norwich Union Intl Portfolio (u)						
10a boulevard Royal, L-2093 Lux						010 352 46461
Nth American Equity		$-	2.74		-	46853
European Equity		$-	2 04		-	46854
Pacific Equity		$-	2.53		-	46854
Global Equity		$-	2 23		-	46852
Nth American Bond		$-	2 58		-	46843
European Bond		$-	2 34		-	44843
Global Bond		$-	2 65		-	44844
Global Balanced		$-	2.34		-	44892
US Dollar Liquidity		$-	2.08		-	46734
PRICOA Worldwide Inv Portfolio Sicav (u)						
6, Avenue J F Pescatore, L-2324 Lux						(352) 475581

	Bid Price	Offer Price	Yield Gross	City-line
Fidelity Investment (CI) Ltd				
Blmd Port-Hedged	$13.37	14 04	0.74	46316
Blmd Port-Unhedged	$11.37	11 94	0 87	46317
Discovery	$19 35	20 30	0 25	44971
Far East	$35 78	38 57	0 12	44972
Frontier	$34 94	36 69	0 38	44973
Global Industries	$16 67	17.50	-	44974
Global Selection	$14.56	15 29	-	46318
International	$15 75	16.54	0 31	44975
Orient	$89 02	93 47	-	44976
Special Growth	$27.36	28 73	0.18	44978
World	$92 16	96.77	0.26	44980
The First Korea Smaller Companies Fund				
NAV Jan 31	$10 46		-	-

	Bid Price	Offer Price	Yield Gross	City-line
Asian Convertibles & Income Fd (Cayman)				
NAV Feb 25	$11 03		-	44490
Austro-Hungary Fund Ltd				
Lloyds Bank Fund Managers (Guernsey) Ltd				
NAV Feb 25	$5 91		-	45196
BEA Associates				
Sth America NAV Feb 25	$7 46		-	45059
Mexico Ltd Assets Feb 23	$12 5065		-	47117
Argentina Debt Fd Feb 23	$12.07		-	47267
BEA/Vencap Lat Am Bnd	$12.15		-	-
Brazilian Extra I Ltd Feb 26	$100 23		-	-
Julius Baer Bank & Trust Co Ltd				

	Bid Price	Offer Price	Yield Gross	City-line
Global Asset Management-Contd.				
	$288.86		-	45126
GAM Tyche	$218.03		-	45127
GAM U S	$713 38		-	45128
GAM Int Investments	$115.59		-	47434
GAM Value	$179 16		-	45129
GAM Whitethorn	$360 19		-	45130
GAM Worldwide	$283 92		-	45131
GSAM Composite	$141 88		-	45132
GAM Bond $ Ord	$169.16		-	45133
GAM Bond $ Special	SFr96.31		-	45134
GAM Bond SwFr	Y13978		-	45135
GAM Bond Yen	DM112.53		-	45136
GAM Bond DM			-	45137

	Bid Price	Offer Price	Yield Gross	City-line
Orbitex Bahamas Ltd				
Orbitex Nat Res Fd	C$11.6860	12.8546	-	45582
Orbitex Growth Fund	$7.5731	8.3304	-	45581
	$5 3200	5.8520	-	47680
ORIENT Growth Fd				
NAV	$9.72		-	47685
PFC Internatl Portfolio Fd Mngt Ltd				
Specialist Growth Fd	$2 79		-	45156
Balanced Growth Fd	$2.40		-	44955
Sterling Income Fd	£1 62		-	45192
PFC-LCC & B	$13 29		-	45139
PFC LCC & B Stg Class	£10 69		-	-
PFC Cap Global P'folio	$12.75		-	44963

LUXEMBOURG (SIB RECOGNISED)

LUXEMBOURG (REGULATED)(**)

JERSEY (REGULATED)(**)

SWITZERLAND (SIB RECOGNISED)

OTHER OFFSHORE FUNDS

CURRENCIES, MONEY AND CAPITAL MARKETS

FOREIGN EXCHANGE AND MONEY MARKETS

After the payroll

FOREIGN exchange dealers will focus their attention on this week's US economic indicators, following a remarkable employment report released last Friday, *writes James Blitz.*

The non-farm payroll report showed a rise of 365,000 in February, against market expectations of, at best, 150,000. This has led dealers to think that the US economy is showing signs of maintaining its recovery from recession.

UK clearing bank base lending rate 6 per cent from January 26, 1993

Some analysts were reluctant at the weekend to set too much store by this latest figure, because around 90 per cent of the rise reflects an increase in people doing part-time jobs.

The market will therefore look for further indications of an upturn in the US economy in Thursday's retail sales figure for February. The market is expecting a monthly rise of around 0.3 per cent. Friday's University of Michigan survey of consumer confidence will also be screened closely.

Currency trading in the European exchange rate mechanism should be calmer this week, following the Bundesbank's surprise cut in its repo rate on Friday. However, dealers will closely scrutinise the latest stage of the solidarity talks in Germany, the successful conclusion of which is seen as an important requirement for an aggressive easing of policy.

On Thursday and Friday, Chancellor Helmut Kohl will meet the heads of Germany's regions for talks on how to reduce the German budget deficit.

The solidarity pact is unlikely to be completed for some time yet. But a successful agreement on how to divide up the cost of developing the eastern part of the country between the government and the regions could encourage the Bundesbank council to ease its official interest rates when it next meets on March 18.

£ IN NEW YORK

Mar 5	Close	Previous Close
£ Spot	1.4465-1.4475	1.4555 1.4565
1 month	0.43-0.42pm	0.39 0.38pm
3 months	1.04-1.02pm	1.04 1.02pm
12 months	3.00-2.90pm	2.97 2.90pm

Forward premiums and discounts apply to the US dollar

OTHER CURRENCIES

Mar 5	£	$
Argentina	1.4465 - 1.4480	0.9980 - 0.9990
Australia	2.0455 - 2.0475	1.4120 - 1.4130
Brazil	29977.4 - 29977.7	20681.2 - 20681.4
Finland	8.6650 - 8.7145	6.0200 - 6.0500
Greece	319.950 - 326.250	220.120 - 224.590
Hong Kong	11.2005 - 11.2130	7.7320 - 7.7330
Iran	2200.00*	1485.00*
Korea(Sth)	1143.95 - 1162.45	790.30 - 796.50
Kuwait	0.44530 - 0.44630	0.30690 - 0.30740
Luxembourg	49.40 - 49.50	34.15 - 34.25
[illegible]	[illegible]	[illegible]

*Floating rate. Iran Official rate: £98.50 $66.30

STERLING INDEX

[illegible]

CURRENCY RATES

[illegible]

CURRENCY MOVEMENTS

[illegible]

CHICAGO

[illegible]

POUND SPOT - FORWARD AGAINST THE POUND

Mar 5	Day's spread	Close	One month	% p.a.	Three months	% p.a.
US	1.4440 - 1.4600	1.4455 - 1.4465	0.43-0.41cpm	3.49	1.02-0.99pm	2.78
Canada	1.8000 - 1.8125	1.8055 - 1.8065	0.20-0.09cpm	0.96	0.27-0.08pm	0.39
Netherlands	2.6755 - 2.7180	2.7050 - 2.7150	½-¾cdis	-2.21	1¼-1¾dis	-1.85
Belgium	49.00 - 49.80	49.40 - 49.50	9-14cdis	-2.79	29-36dis	-2.63
Denmark	9.1390 - 9.2620	9.2425 - 9.2525	6⅝-10oredis	-10.79	19¼-24⅝dis	-9.41
Ireland	0.9785 - 0.9920	0.9910 - 0.9920	0.45-0.53cdis	-5.93	1.25-1.40dis	-5.35
Germany	2.3800 - 2.4160	2.4075 - 2.4125	½-¾pfdis	-2.80	1¼-1½dis	-2.07
Portugal	219.45 - 223.30	222.30 - 223.30	175-194cdis	-9.94	442-491dis	-8.38
Spain	171.25 - 172.60	171.85 - 172.15	178-196cdis	-13.05	383-424dis	-9.38
Italy	2270.60 - 2284.40	2277.00 - 2278.00	10-12liredis	-5.80	28-30dis	-5.09
Norway	10.0950 - 10.2190	10.1850 - 10.1950	1¾-3¼oredis	-3.02	6-8½dis	-2.85
France	8.0800 - 8.1975	8.1675 - 8.1775	4¼-4¾cdis	-6.61	11½-12¼dis	-5.81
Sweden	11.1290 - 11.2220	11.1825 - 11.1925	2-4½oredis	-3.42	8½-11¼dis	-3.55
Japan	168.95 - 170.75	169.75 - 170.75	½-¼ypm	3.08	1¼-1¼pm	2.79
Austria	16.74 - 17.02	16.99 - 17.02	2¼-3¼grodis	-1.94	6½-8¼dis	-1.72
Switzerland	2.2055 - 2.2425	2.2300 - 2.2400	¼cpm-par	0.67	½-¼pm	0.67
Ecu	1.2280 - 1.2410	1.2400 - 1.2410	0.37-0.42cdis	-3.82	0.93-1.02dis	-3.14

Commercial rates taken towards the end of London trading. Six-month forward dollar 1.72-1.67pm. 12 Month 2.80-2.70pm.

DOLLAR SPOT - FORWARD AGAINST THE DOLLAR

Mar 5	Day's spread	Close	One month	% p.a.	Three months	% p.a.
UK†	1.4440 - 1.4600	1.4455 - 1.4465	0.43-0.41cpm	3.49	1.02-0.99pm	2.78
Ireland†	1.4520 - 1.4810	1.4550 - 1.4560	1.10-1.20cdis	-9.48	2.85-3.05dis	-8.11
Canada	1.2395 - 1.2495	1.2485 - 1.2495	0.24-0.29cdis	-2.55	0.70-0.80dis	-2.40
Netherlands	1.8425 - 1.8795	1.8735 - 1.8745	0.86-0.89cdis	-5.60	2.09-2.15dis	-4.53
Belgium	33.70 - 34.25	34.15 - 34.25	14.00-16.00cdis	-5.26	43.00-47.00dis	-5.26
Denmark	6.2900 - 6.3975	6.3925 - 6.3975	6.00-9.00oredis	-14.07	17.00-23.00dis	-12.51
Germany	1.6380 - 1.6725	1.6665 - 1.6675	0.83-0.84pfdis	-6.01	1.99-2.02dis	-4.81
Portugal	151.95 - 154.00	153.75 - 153.85	162-172cdis	-13.03	425-445dis	-11.31
Spain	117.70 - 118.80	118.65 - 118.75	150-175cdis	-16.43	335-375dis	-11.96
Italy	1559.00 - 1581.00	1574.75 - 1575.25	10.30-11.00liredis	-8.11	30.00-31.50dis	-7.81
Norway	6.9630 - 7.0500	7.0450 - 7.0500	3.60-4.10oredis	-6.56	9.50-10.25dis	-5.60
France	5.5640 - 5.6695	5.6500 - 5.6550	4.55-4.75cdis	-9.87	11.75-12.10dis	-8.44
Sweden	7.6270 - 7.7785	7.7350 - 7.7400	4.40-5.00oredis	-7.29	11.40-12.40dis	-6.15
Japan	116.30 - 117.85	117.60 - 117.70	0.01-0.02ydis	-0.15	0.01-0.02dis	-0.05
Austria	11.5350 - 11.6985	11.6935 - 11.6985	4.60-4.95grodis	-4.90	12.35-13.45dis	-4.41
Switzerland	1.5175 - 1.5520	1.5455 - 1.5465	0.33-0.36cdis	-2.68	0.79-0.83dis	-2.10
Ecu†	1.1635 - 1.1835	1.1640 - 1.1650	0.73-0.71cpm	7.42	1.78-1.76pm	6.08

Commercial rates taken towards the end of London trading. † UK, Ireland and Ecu are quoted in US currency. Forward premiums and discounts apply to the US dollar and not to the individual currency.

EXCHANGE CROSS RATES

Mar 5	£	$	DM	Yen	F Fr.	S Fr.	N FL	Lira	C$	B Fr.	Pta.	Ecu
£	1	1.446	2.410	170.3	8.173	2.235	2.710	2278	1.806	49.45	172.0	1.241
$	0.692	1	1.667	117.8	5.652	1.546	1.874	1575	1.249	34.20	118.9	0.858
DM	0.415	0.600	1	70.66	3.391	0.927	1.124	945.2	0.749	20.52	71.37	0.515
YEN	5.872	8.491	14.15	1000	47.99	13.12	15.91	13376	10.60	290.4	1010	7.287
F Fr.	1.224	1.769	2.949	208.4	10.	2.735	3.316	2787	2.210	60.50	210.4	1.518
S Fr.	0.447	0.647	1.078	76.20	3.657	1	1.213	1019	0.808	22.13	76.96	0.555
N FL	0.369	0.534	0.889	62.84	3.016	0.825	1	840.6	0.666	18.25	63.47	0.458
Lira	0.439	0.635	1.058	74.76	3.588	0.981	1.190	1000.	0.793	21.71	75.50	0.545
C$	0.554	0.801	1.334	94.30	4.525	1.238	1.501	1261	1	27.38	95.24	0.687
B Fr.	2.022	2.924	4.874	344.4	16.53	4.520	5.480	4607	3.652	100	347.8	2.510
Pta	0.581	0.841	1.401	99.01	4.752	1.299	1.576	1324	1.050	28.75	100.	0.722
Ecu	0.806	1.165	1.942	137.2	6.586	1.801	2.184	1836	1.455	39.85	138.6	1.

Yen per 1,000: French Fr. per 10: Lira per 1,000: Belgian Fr. per 100. Peseta per 100.

EURO-CURRENCY INTEREST RATES

Mar 5	Short term	7 Days notice	One Month	Three Months	Six Months	One Year
Sterling	6⅛ - 6	6⅛ - 6	6¼ - 6⅛	6⅛ - 5{15/16}	5{15/16} - 5{13/16}	5¾ - 5⅝
US Dollar	3⅛ - 2{15/16}	3⅛ - 3	3¼ - 3⅛	3¼ - 3⅛	3⅜ - 3¼	3⅝ - 3½
Can. Dollar	5⅝ - 5¼	5¾ - 5½	5⅝ - 5⅜	5{13/16} - 5{11/16}	5{15/16} - 5{13/16}	6⅜ - 6¼
Dutch Guilder	8¼ - 8⅛	8{5/16} - 8{3/16}	8⅛ - 8	7⅞ - 7¾	7⅝ - 7½	6¾ - 6⅝
Swiss Franc	5½ - 5⅜	5⅝ - 5½	5⅝ - 5½	5{9/16} - 5{7/16}	4{15/16} - 4{13/16}	4⅝ - 4½
D-Mark	8⅝ - 8½	8⅝ - 8½	8⅜ - 8¼	8 - 7⅞	7½ - 7⅜	6{13/16} - 6{11/16}
French Franc	11¼ - 11	11⅝ - 11⅜	11½ - 11⅜	11½ - 11⅜	10½ - 10⅜	9¼ - 9⅛
Italian Lira	11¼ - 11	11⅝ - 11⅜	11½ - 11⅜	11½ - 11⅜	10½ - 10⅜	9¼ - 9⅛
Belgian Franc	8{7/16} - 8{5/16}	8{7/16} - 8{5/16}	8{7/16} - 8{5/16}	8⅜ - 8¼	7{13/16} - 7{11/16}	7⅜ - 7¼
Yen	3{5/16} - 3⅛	3{5/16} - 3⅛	3{5/16} - 3⅛	3{5/16} - 3⅛	3{5/16} - 3{3/16}	3{5/16} - 3{3/16}
Danish Krone	13 - 11	13 - 11	15 - 12½	15¼ - 14½	14¼ - 13½	12 - 11½
Asian $Sing	4 - 3	4 - 3	3½ - 2½	3¼ - 2¼	3¼ - 2¼	4 - 3
Spanish Peseta	16½ - 16¼	15½ - 15¼	16⅝ - 16⅜	14⅞ - 14⅝	13¾ - 13½	13⅛ - 12⅞
Portuguese Esc.	16½ - 15½	16 - 15	15 - 14½	15 - 14¼	13¾ - 13¼	14 - 13¼

Long term Eurodollars: two years 4{3/16}-4{1/16} per cent; three years 4{15/16}-4{13/16} per cent; four years 5¼-5⅛ per cent; five years 5⅝-5½ per cent nominal. Short term rates are call for US Dollar and Japanese Yen, others, two days' notice.

FT LONDON INTERBANK FIXING

(11.00 a.m. Mar.5) 3 months US dollars		6 months US Dollars	
bid 3{3/16}	offer 3{5/16}	bid 3¼	offer 3⅜

The fixing rates are the arithmetic means rounded to the nearest one-sixteenth, of the bid and offered rates for $10m quoted to the market by five reference banks at 11.00 a.m. each working day. The banks are National Westminster Bank, Bank of Tokyo, Deutsche Bank, Banque National de Paris and Morgan Guaranty Trust.

MONEY RATES

NEW YORK

Treasury Bills and Bonds

4pm					
Prime rate	6	One month	2.99	Three year	4.36
Broker loan rate	5	Two month	3.01	Five year	5.12
Fed. funds	3	Three month	3.06	Seven year	5.53
Fed. funds at intervention	-	Six month	3.18	10-year	5.89
		One year	3.37	30-year	6.75
		Two year	3.87		

Mar 5	Overnight	One Month	Two Months	Three Months	Six Months	Lombard Intervention
Frankfurt	8.40-8.60	8.35-8.45	8.05-8.15	7.90-8.00	7.40-7.50	9.00
Paris	11{3/16}-11{1/16}	11⅜-11⅛	-	11⅜-11⅛	-	9.10
Zurich	5⅝-5⅜	5⅛-5⅜	-	5⅛-5⅜	-	-
Amsterdam	8.18-8.25	8.00-8.10	-	7.65-7.80	-	-
Tokyo	3{3/16}-3{1/16}	3{5/16}-3{3/16}	-	-	-	-
Milan	11¼-11⅛	11{3/16}	-	11⅛-11{1/16}	-	-
Brussels	8¼-8⅛	8{3/16}-8{1/16}	-	8{3/16}-8{1/16}	-	-
Dublin	10¾-11	12¾-13	14-14¼	13¾-14¼	13-13¼	-

LONDON MONEY RATES

Mar 5	Overnight	7 days notice	One Month	Three Months	Six Months	One Year
Interbank Offer	6¼	6⅛	6{3/16}	6{1/16}	5⅞	5{13/16}
Interbank Bid	4	5¾	6{1/16}	5{15/16}	5⅝	5{9/16}
Sterling CDs	-	-	6{1/16}	5{15/16}	5⅝	5{9/16}
Local Authority Deps.	5¾	5⅞	6{1/16}	5{15/16}	5⅝	5{9/16}
Local Authority Bonds	-	-	-	-	-	-
Discount Mkt Deps	6	6	-	-	-	-
Company Deposits	-	-	-	-	-	-
Finance House Deposits	-	-	6⅛	6	5¾	5{11/16}
Treasury Bills (Buy)	-	-	5⅞	5⅝	5½	-
Bank Bills (Buy)	-	-	5¾	5{11/16}	5⅝	-
Fine Trade Bills (Buy)	-	-	-	-	-	-
Dollar CDs	-	-	3.03	3.10	3.23	3.36
SDR Linked Dep. Offer	-	-	5½	5⅜	5¼	5⅛
SDR Linked Dep. Bid	-	-	5⅜	5¼	5⅛	5
ECU Linked Dep. Offer	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
ECU Linked Dep. Bid	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

[illegible]

LONDON RECENT ISSUES

EQUITIES

[illegible]

FIXED INTEREST STOCKS

[illegible]

RIGHTS OFFERS

[illegible]

BANK OF ENGLAND TREASURY BILL TENDER

[illegible]

WEEKLY CHANGE IN WORLD INTEREST RATES

[illegible]

BASE LENDING RATES

Adam & Company 6
Allied Trust Bank 6
AIB Bank 6
●Henry Ansbacher 6
B & C Merchant Bank 13
Bank of Baroda 6
Banco Bilbao Vizcaya 6
Bank of Cyprus 6
Bank of Ireland 6
Bank of India 6
Bank of Scotland 6
Barclays Bank 6
Brit Bk of Mid East 6
●Brown Shipley 6
CL Bank Nederland 6
Citibank NA 6
City Merchants Bank 6
Clydesdale Bank 6
The Co-operative Bank 6
Coutts & Co 6
Credit Lyonnais 6
Cyprus Popular Bank 6
Duncan Lawrie 6
Equatorial Bank plc 6
Exeter Bank Limited 7
Financial & Gen Bank 7
●Robert Fleming & Co 6
Girobank 6
●Guinness Mahon 6
Habib Bank AG Zurich 6
●Hambros Bank 6
Heritable & Gen Inv Bk 6
●Hill Samuel 6
C. Hoare & Co 6
Hongkong & Shanghai 6
Julian Hodge Bank 6
●Leopold Joseph & Sons 6
Lloyds Bank 6
Meghraj Bank Ltd 6
McDonnell Douglas Bk. 6
Midland Bank 6
Mount Banking 6
NatWestminster 6
Nykredit Mortgage Bnk 6.5
●Rea Brothers 6
Roxburghe Guarantee Corp 6
Royal Bk of Scotland 6
●Smith & Williamson Secs 6
Standard Chartered 6
TSB 6
Unibank plc 6
●United Bk of Kuwait 6
Unity Trust Bank Plc 6
Western Trust 6
Whiteaway Laidlaw 6
Yorkshire Bank 6

● Members of British Merchant Banking & Securities Houses Association

STOCK INDICES

	Mar 5	Mar 4	Mar 3	Mar 2	Mar 1	Feb 26	1992/93 High	1992/93 Low	Since Compilation High	Since Compilation Low
FT-SE 100	2922.1	2904.8	2918.6	2882.3	2882.6	2888.0	2922.1	2281.0	2922.1	986.9
FT-SE Mid 250	3107.9	3087.9	3077.9	3050.0	3048.7	3038.1	3107.9	2157.8	3107.9	1379.4
FT-SE-A 350	1442.3	1433.6	1438.0	1421.1	1421.2	1414.2	1442.3	1103.1	1442.3	664.5
FT-A All-Share	1424.13	1415.75	1419.72	1403.41	1403.46	1398.53	1424.13	1086.13	1424.13	61.92
FT-SE Eurotrack 100	1169.70	1156.15	1158.99	1156.71	1159.26	1139.80	1200.27	937.42	1200.27	900.45
FT-SE Eurotrack 200	1225.29	1216.30	1221.03	1211.84	1213.57	1194.07	1248.79	1010.09	1248.79	938.62
FT Ordinary	2265.9	2256.3	2266.4	2233.3	2225.5	2208.4	2265.9	1670.0	2265.9	49.4
FT Government Secs.	97.71	97.12	97.25	96.94	97.06	96.71	97.71	85.11	127.40	49.18
FT Fixed Interest	113.14	113.02	112.74	112.13	112.19	112.34	113.14	97.15	113.14	50.53
FT Gold Mines	92.6	88.6	88.8	89.1	91.7	93.2	180.6	60.0	734.7	43.5

LONDON SHARE SERVICE

BRITISH FUNDS

	Notes	Price £	Wk % ch'nge	Amnt £m	Interest due	Last xd	City line
"Shorts" (Lives up to Five Years)							
Treas 10pc 1993‡‡		100½	-.1	1,850	Oc15 Ap15	8.9	1279
12½pc 1993‡‡		102½	—	1,100	Ja14 Jy14	8.1	1296
Funding 6pc 1993‡‡		100{7/32}xd	—	600	Mr15 Se15	8.2	1276
Treas 13¾pc 1993‡‡		105{15/32}	-.2	1,065	My23 Nv23	19.10	1304
8½pc 1994		102{13/32}	—	2,100	Au3 Fe3	29.12	4871
14½pc 1994‡‡		108⅝	-.1	550	Se1 Mr1	25.1	1307
Exch 13½pc 1994		108¾	-.1	1,100	Oc27 Ap27	21.9	1267
Treas. 10pc Ln. 1994‡‡		105⅞	—	1,800	De9 Je9	2.11	1284
Exch 12½pc 1994		108⅝	—	1,240	Fe22 Au22	18.1	1263
Treas 9pc 1994‡‡		105{13/32}	—	1,908	My17 Nv17	12.10	1345
12pc 1995		111{3/16}	—	2,359	Jy25 Ja25	21.12	1294
Exch 3pc Gas 90-95		95½	-.1	214	Nv1 My1	25.9	1271
10¼pc 1995		109⅝	—	2,500	Ja21 Jy21	8.1	1254
Treas 12¾pc 1995‡‡		116{13/32}	-.1	840	My15 Nv15	9.10	1298
14pc 1996		120⅝	0.1	770	Jy22 Ja22	16.12	1305
15¼pc 1996‡‡		125¾	—	1,150	Nv3 My3	28.9	1309
Exch 13¼pc 1996‡‡		119¾	—	800	Nv15 My15	9.10	1288
Conversion 10pc 1996		111⅞	—	3,408	My15 Nv15	9.10	1240
Treas 13¼pc 1997‡‡		122{13/32}	0.1	1,290	Jy22 Ja22	16.12	1302
Exch 10½pc 1997		113{13/32}	0.1	3,700	Au21 Fe21	15.1	1253
Treas 8¾pc 1997‡‡		106{3/16}	0.2	5,550	Mr1 Se1	25.1	1341
Exch 15pc 1997		132{7/16}	0.2	830	Ap27 Oc27	21.9	1369
9¾pc 1998		112¼	0.1	3,650	Jy19 Ja19	8.1	1273
Five to Fifteen Years							
Treas 7¼pc 1998		102{11/32}xd	0.1	2,580	Mr30 Se30	22.2	-
Treas 6¾pc 1995-98‡‡		100{7/32}	0.2	1,100	Mr1 My1	25.9	1331
15½pc '98‡‡		138{7/16}xd	0.2	835	Mr30 Se30	22.2	1308
Exch 12pc 1998		122⅜	0.3	3,000	My20 Nv20	14.10	1259
Treas 9½pc 1999‡‡		112{7/16}	0.4	1,800	Jy15 Ja15	8.1	1347
Exch 12¼pc 1999		124⅞xd	0.4	3,050	Se26 Mr26	17.2	1264
Treas 10½pc 1999		117{7/16}	0.5	1,252	Nv19 My19	13.10	1288
Conversion 10¼pc 1999		116{13/32}	0.6	1,798	My22 Nv22	16.10	1242
9pc 2000‡‡		110⅝	0.7	4,358	Se3 Mr3	25.1	1244
Treas 13pc 2000		130{13/32}	0.7	3,171	Ja14 Jy14	8.1	1299
10pc 2001		114{13/32}	0.7	4,806	Au26 Fe26	20.1	1280
14pc '98-1		129{3/16}	—	970	Nv22 My22	16.10	1306
9¾pc 2002		114	1.1	6,127	Fe27 Au27	21.1	1349

BRITISH FUNDS - Cont.

	Notes	Price £	Wk % ch'nge	Amnt £m	Interest due	Last xd	City line
8pc 2003 (£50 pd)		52{15/32}	2.9	2,800	Je10 De10	-	-
10pc 2003		115{13/32}	1.4	2,503	Mr8 Se8	1.2	1281
Treas 11½pc 2001-4		122{7/16}xd	0.7	1,820	Se19 Mr19	18.2	1290
Funding 3½pc '99-4		74{7/32}	1.9	493	Ja14 Jy14	8.1	1274
Conversion 9½pc 2004		111⅞	1.4	3,012	Ap25 Oc25	18.9	1246
9½pc 2005		111{13/32}	1.5	4,842	Oc18 Ap18	11.9	1247
Treas 12½pc 2003-5		131⅛	1.5	2,200	My21 Nv21	15.10	1295
8pc 2002-6‡‡		100⅞xd	1.2	2,000	Ap5 Oc5	1.3	1334
Treas 11¾pc 2003-7		125{7/16}	1.4	3,150	Jy22 Ja22	16.12	1293
Treas 8½pc 2007‡‡		103{13/32}	1.5	2,887	Ja16 Jy16	8.1	1339
8½pc 2007 B		73{7/16}	2.1	2,500	Ja16 Jy16	-	-
13½pc '04-8		139¼xd	1.8	1,250	Se26 Mr26	17.2	1301
Over Fifteen Years							
9pc 2008‡‡		107{13/32}	1.6	4,321	Ap13 Oc13	7.9	1343
8pc 2009		88⅝xd	1.6	2,500	Mr25 Se25	16.2	1336
Conv 9pc Ln 2011‡‡		107{7/16}	1.8	2,923	Ja12 Jy12	7.12	1245
9pc 2011 C		17¼	12.4	1,350	12Jul 12Jan	-	-
Treas. 9pc 2012		107⅛	1.6	4,850	Fe6 Au6	31.12	-
Treas 5½pc 2008-12‡‡		75{13/32}xd	2.4	1,000	Mr10 Se10	1.2	1330
7¾pc 2012-15‡‡		88½	2.3	700	Jy26 Ja26	21.12	1332
Exch 12pc '13-'17		134{13/32}	1.6	1,000	Je12 De12	5.11	1360
Treas 8¾pc 2017		104{15/32}	1.8	5,000	Fe25 Au25	19.1	1982
Undated							
Consols 4pc		47{7/16}	1.9	358	Fe1 Au1	28.12	1239
War Loan 3½pc‡‡		41{13/32}	2.1	1,909	Je1 De1	26.10	1352
Conv 3½pc '61 Aft.		62½xd	1.4	122	Ap1 Oc1	23.2	1243
Treas 3pc '66 Aft		35{1/2}xd	3.4	56	Ap5 Oc5	1.3	1324
Consols 2½pc		31{7/16}xd	1.7	276	5JaApJyOc	1.3	1238
Treas. 2½pc		29{1/2}xd	2.5	475	Ap1 Oc1	23.2	1315

BRITISH FUNDS - Cont.

	Notes	Price £	Wk % ch'nge	Amnt £m	Interest due	Last xd	City line
Index-Linked	(b)						
Treas. 2pc '94	(102.9)	132¾	0.2	500	Nv16 My16	12.10	5070
2pc '96	(67.9)	196{1/2}xd	0.1	1,350	Mr16 Se16	8.2	1313
4⅝pc '98	(135.6)	108⅞	0.3	600	Ap27 Oc27	-	-
2½pc '01	(78.3)	165½xd	0.3	1,350	Mr24 Se24	15.2	1316
2½pc '03	(78.8)	162{1/16}	0.3	800	Nv20 My20	14.10	1317
4⅜pc '04	(135.6)	110½	0.3	600	Ap21 Oc21	-	-
2pc '06	(69.5)	167¾	0.3	1,350	Ja19 Jy19	12.1	1314
2½pc '09	(78.8)	151½	0.3	1,400	Nv20 My20	14.10	1318
2½pc '11	(74.6)	158½	0.3	1,550	Fe23 Au23	18.1	1319
2½pc '13	(89.2)	128½	0.1	1,850	Fe16 Au16	11.1	1320
2½pc '16	(81.6)	138{7/16}	0.3	1,950	Ja26 Jy26	21.12	1321
2½pc '20	(83.0)	130¾	0.4	1,550	Oc16 Ap16	9.9	1322
2½pc '24‡‡	(97.7)	108⅛	0.5	1,200	Ja17 Jy17	8.1	1323
4⅛pc '30‡‡	(135.1)	108⅞	0.5	850	Jy22 Ja16	16.12	-

(b) Figures in parentheses show RPI base for indexing (ie 8 months prior to issue) and have been adjusted to reflect rebasing of RPI to January 1987. Conversion factor 3.945. RPI for June 1992: 139.3 and for January 1993: 137.9.

OTHER FIXED INTEREST

	Notes	Price £	Wk % ch'nge	Amnt £m	Interest due	Last xd	City line
African Dev 11⅛ 2010		122{13/32}	1.6	50	Ja4 Jy4	1.12	-
Asian Dev 10¼pc 2009		116{7/16}	1.5	100	Mr24 Se24	28.3	-
B'ham 11½pc 2012		121½	1.9	45	My15 Nv15	17.4	1837
Ireland Cap 8½pc '10		98¼	0.3	304	Ap1 Oc1	-	1465
9pc Cap 1996		100¼	-1.0	725	Ja30 Jy30	-	-
13pc '97-2		113½	-.9	315	Ap1 Oc1	28.8	1428
Hydro Quebec 15pc 2011		146¼	1.3	40	My31 Nv31	27.10	-
Leeds 13½pc 2006		134¼	1.5	40	Ap1 Oc1	12.3	3146
Liverpool 3½pc Irred.		35½	2.9	5	1JaApJeOc	1.8	3169
LCC 3pc '20 Aft.		31½	0.8	28	1MrJeSeDe	1.8	-
Manchester 11½pc 2007		118¾	0.8	7	Ap25 Oc25	30.3	3275
Met. Wtr. 3pc 'B'		68¾	0.8	25	Mr1 Se1	1.8	3361
N'wide Anglia 3¾pc 2021		123	1.9	60	Ja30 Jy30	8.1	3465
4¼pc IL 2024		121½	2.3	50	Fe23 Ap23	20.7	-
Utd Mex States 16½pc 2008		137	0.7	50	Mr1 Se1	27.8	-

Continued on next page

FT-ACTUARIES WORLD INDICES

Jointly compiled by The Financial Times Limited, Goldman, Sachs & Co. and NatWest Securities Limited in conjunction with the Institute of Actuaries and the Faculty of Actuaries

NATIONAL AND REGIONAL MARKETS. Figures in parentheses show number of lines of stock	FRIDAY MARCH 5 1993: US Dollar Index	% chg ($) since 31/12/92	Pound Sterling Index	Yen Index	DM Index	Local Currency Index	Local % chg from 31/12/92	Gross Div. Yield	THURSDAY MARCH 4 1993: US Dollar Index	Pound Sterling Index	Yen Index	DM Index	Local Currency Index	DOLLAR INDEX: 1992/93 High	1992/93 Low	Year ago (approx)
Australia (68)	134.12	+7.2	137.52	99.75	116.24	126.01	+4.1	3.90	135.00	137.65	99.63	114.79	126.74	153.68	108.18	144.30
Austria (18)	148.78	+6.1	152.54	110.85	128.94	128.49	+9.5	1.75	150.75	153.72	111.26	128.19	128.10	186.70	131.16	174.82
Belgium (42)	141.66	+6.3	145.25	105.35	122.77	119.46	+9.4	5.05	141.94	144.73	104.75	120.69	117.98	152.27	131.19	139.29
Canada (113)	122.20	+5.7	125.29	90.87	105.90	110.52	+3.8	3.03	121.93	124.33	89.98	103.67	109.66	142.12	111.36	133.44
Denmark (33)	201.71	+8.4	206.82	150.01	174.82	175.44	+10.5	1.31	203.95	207.96	150.52	173.42	174.27	273.94	181.70	237.34
Finland (23)	74.94	+7.7	76.84	55.73	64.95	94.92	+24.2	1.45	75.20	76.68	55.50	63.94	93.82	89.80	52.84	79.47
France (98)	156.42	+6.3	160.38	116.32	135.55	138.69	+8.7	3.24	158.53	161.65	116.99	134.79	138.20	168.75	136.93	152.86
Germany (62)	111.49	+7.2	114.31	82.93	96.62	96.62	+10.3	2.37	113.83	116.07	84.02	96.79	96.79	129.69	101.59	118.77
Hong Kong (55)	262.08	+18.3	268.71	194.90	227.15	260.18	+18.2	3.53	260.88	266.01	192.53	221.84	258.96	262.28	176.36	203.54
Ireland (16)	137.62	+1.4	141.10	102.34	119.27	133.23	+13.0	3.94	141.93	144.72	104.74	120.68	134.62	173.71	122.98	159.27
Italy (75)	63.69	+16.1	65.30	47.36	55.20	74.92	+24.1	2.70	64.28	65.54	47.43	54.65	75.09	80.86	47.47	71.39
Japan (472)	107.98	+2.8	110.71	80.30	93.59	80.30	-3.1	1.04	108.66	110.80	80.19	92.41	80.19	140.95	87.27	113.48
Malaysia (69)	277.77	+6.2	284.80	206.56	240.73	280.18	+8.4	2.35	277.06	282.51	204.46	235.58	279.30	282.42	212.49	240.17
Mexico (18)	1506.12	-8.6	1544.24	1120.06	1305.31	5109.76	-9.1	1.17	1518.22	1548.08	1120.44	1290.94	5140.02	1789.77	1185.84	1740.42
Netherland (25)	161.44	+6.6	165.52	120.06	139.92	138.08	+9.9	4.16	162.72	165.92	120.08	138.36	136.58	169.70	147.88	149.35
New Zealand (13)	45.34	+5.7	46.49	33.72	39.29	45.69	+3.1	4.79	45.22	46.11	33.38	38.45	45.43	48.52	37.39	45.47
Norway (22)	140.61	+2.1	144.17	104.57	121.87	134.60	+4.0	1.95	140.16	142.91	103.44	119.18	132.26	192.95	128.05	166.77
Singapore (38)	222.73	+4.4	228.37	165.65	193.03	168.90	+4.7	1.98	223.80	228.20	165.16	190.29	169.45	229.63	179.65	205.44
South Africa (60)	164.65	+11.2	168.82	122.45	142.69	163.57	+4.1	3.08	160.78	163.94	118.65	136.71	161.48	263.60	134.21	215.15
Spain (46)	126.76	+8.7	129.96	94.27	109.85	113.98	+12.6	5.28	126.87	129.36	93.63	107.87	112.88	161.72	107.10	153.88
Sweden (36)	165.13	-0.3	169.30	122.80	143.11	189.14	+9.1	2.05	164.87	168.11	121.68	140.19	186.71	200.28	149.69	181.14
Switzerland (56)	111.01	-1.8	113.82	82.56	96.22	106.40	+3.6	2.03	113.09	115.31	83.47	96.17	106.39	122.37	95.99	97.48
United Kingdom (226)	170.31	-1.2	174.62	126.65	147.59	174.62	+3.5	4.20	170.29	173.63	125.66	144.78	173.63	200.07	161.86	173.91
USA (522)	182.14	+2.3	186.75	135.46	157.86	182.14	+2.3	2.78	182.65	186.25	134.80	155.32	182.65	183.74	160.92	165.16
Europe (778)	139.94	+2.9	143.48	104.07	121.29	133.92	+7.3	3.49	140.99	143.76	104.05	119.88	133.33	156.88	131.31	142.90
Nordic (114)	152.08	+2.6	155.92	113.10	131.80	153.03	+10.0	1.81	152.36	155.36	112.44	129.55	151.28	186.52	141.24	172.77
Pacific Basin (715)	113.99	+3.9	116.87	84.77	98.79	87.10	-1.4	1.38	114.61	116.87	84.58	97.45	86.99	141.97	93.70	117.40
Euro-Pacific (1493)	124.48	+3.4	127.63	92.57	107.88	105.48	+2.4	2.35	125.28	127.74	92.45	106.52	105.19	145.21	113.80	127.86
North America (635)	178.41	+2.4	182.93	132.70	154.65	177.28	+2.3	2.79	178.88	182.40	132.03	152.13	177.71	179.60	158.70	163.14
Europe Ex. UK (552)	121.09	+6.9	124.16	90.07	104.97	111.24	+10.0	3.01	122.63	125.04	90.52	104.29	110.84	132.98	111.33	123.80
Pacific Ex. Japan (243)	172.82	+11.0	177.19	128.54	149.79	158.41	+9.8	3.40	172.86	176.26	127.59	147.00	158.35	175.31	146.08	156.16
World Ex. US (1684)	125.67	+3.5	128.85	93.47	108.92	107.51	+2.4	2.37	126.39	128.87	93.28	107.47	107.20	146.91	115.99	130.05
World Ex. UK (1980)	141.20	+3.4	144.77	105.01	122.38	126.16	+2.2	2.36	141.91	144.70	104.73	120.67	126.17	150.58	127.21	137.77
World Ex. So. Af. (2146)	143.70	+2.9	147.34	106.88	124.55	130.05	+2.3	2.54	144.38	147.22	106.56	122.78	130.00	153.05	130.04	140.46
World Ex. Japan (1734)	163.96	+9.0	168.11	121.95	142.12	159.89	+4.2	3.05	164.59	167.83	121.48	139.97	159.85	165.40	151.93	156.71
The World Index (2206)	143.74	+3.0	147.37	106.90	124.58	130.38	+2.3	2.64	144.38	147.22	106.56	122.78	130.32	153.70	130.66	140.92

Base values: Dec 31, 1986 = 100; Finland: Dec 31, 1987 = 115.037 (US $ Index), 90.791 (Pound Sterling) and 94.94 (Local); Nordic: Dec 30, 1988 = 139.65 (US $ Index), 114.45 (Pound Sterling) and 123.22 (Local).

Constituent change during the week ending 5/3/93: Name change: Cold Storage Hldgs. to Goodman Fielder Asia Hldgs. (Singapore).

MONEY MARKET FUNDS

Money Market Trust Funds

[illegible]

Money Market Bank Accounts

[illegible]

LONDON SHARE SERVICE

AMERICANS

	Notes	Price £	W'k% ch'nge	Div gross	Dividends paid	Last xd	City line
Abbott Labs		17⅞xd	-4.7	68c	FeMyAgNv	12.1	1503
Alleghany & W	♥	532p	3.5	30c	-	-	-
Amdahl		558p	-2	10c	NvFeJaAu	31.1	-
Amer Cyanamid		34⅞	1.5	$1.65	MrJeSeDe	4.3	-
Amer Express		17¼xd	3.0	$1.00	FeMyAgNv	28.9	1584
Amer T & T		38½xd	-3	$1.32	FeMyAuNv	29.12	1587
AmeriTech		61⅞	-2.6	$3.68	FeMyAuNv	28.3	-
BankAmerica		35⅛xd	-5.3	$1.40	MrJeSeDe	18.2	1744
Bankers NY		47½xd	0.7	$3.12	ApJyOcJa	24.12	1745
Bell Atlantic		35	-2.9	$2.60	FeMyAuNv	4.7	-
BellSouth		35¾	-5	$2.76	FeMyAuNv	6.4	-
Bethlehem Steel	♥	11¾xd	-2.1	-	MrJeSeDe	6.2	1821
Bowater		1636pxd	3.4	80c	OcJaApJy	9.3	1884
CPC	h	39⅝xd	2.8	$1.20	JaApJyOc	29.12	2263
Cadiz Land Inc	♥	115p	-	-	†	-	-
California Engy		1425p	0.8	-	-	-	-
Chase Manhattan		22xd	0.3	$1.20	FeMyAuNv	28.1	2108
Chrysler		26⅞xd	-2.5	60c	ApJyOcJa	16.12	2135
Citicorp		18⅛xd	-1.7	-	-	23.10	2141
Colgate-Palm		43⅝xd	1.2	$1.24	FeMyAuNv	22.7	2184
Cont'l Bank		1647p	-2.4	60c	DeMrJeSe	31.6	-
Dana		31⅞xd	-2.2	$1.60	MrJeSeDe	24.2	2306
Data General		927p	8.2	-	-	-	-
Decora Inds	♥	145p	-	-	†	-	-
Dun & Brad		38⅞	-3.1	$2.28	MrJeSeDe	19.2	-
Eaton		56½	2.3	$2.20	FeMyAuNv	2.2	2410
Echlin		17⅛xd	-	70c	JaApJyOc	29.12	3046
FPL		26¼xd	-3.5	$2.44	MrJeSeDe	25.8	-
Ford Motor		33	2.1	$1.60	MrJeSeDe	28.1	2615
Gen Elect		58¼xd	-1.6	$2.52	JaApJyOc	4.3	2875
General Host	♥	552p	-2.5	34c	†	13.12	-
Gillette		48⅞xd	-2	72c	MrJeSeDe	27.1	2885
Hasbro		28⅞	-	24c	FeApJyNv	1.8	-
Honeywell		22⅛xd	-5.3	89c	MrJeSeDe	23.2	2919
Houston Inds		32½	-1.5	$3.00	MrJeSeDe	18.11	-
IBM		38½xd	1.0	$2.16	MrJeSeDe	5.2	2966
Ingersoll-Rand		22⅜xd	-2.4	70c	MrJeSeDe	11.2	2979
Lockheed		40⅞	-1.8	$2.12	MrJeSeDe	15.2	-
Loew's	h	2051p	-1	25c	JaApJyOc	11.7	-
Merrill Lynch		47⅛xd	-1	$1.28	FeMyAuNv	30.4	3351

CANADIANS

BANKS

BREWERS & DISTILLERS

BUILDING MATERIALS

BUILDING MATERIALS - Cont.

BUSINESS SERVICES

CHEMICALS

CONGLOMERATES

CONTRACTING & CONSTRUCTION

CONTRACTING & CONSTRUCTION - Cont.

ELECTRICALS

ELECTRICITY

ELECTRONICS

ENGINEERING-AEROSPACE

ENGINEERING-GENERAL

ENGINEERING-GENERAL - Cont.

FOOD MANUFACTURING

FOOD RETAILING

HEALTH & HOUSEHOLD

HOTELS & LEISURE

HOTELS & LEISURE - Cont.

INSURANCE BROKERS

INSURANCE COMPOSITE

INSURANCE LIFE

INVESTMENT TRUSTS

INVESTMENT TRUSTS - Cont.

LONDON SHARE SERVICE

INVESTMENT TRUSTS - Cont.

	Notes	Price	W'k % ch'nge	Div net	Dividends paid	Mkt cap£m	Last xd	City line
Scottish Inv		169	2.1	4.62	Feb Jul	508.1	4.1	3959
Warrants		49	6.7	–	–	24.4	–	5803
Scot Mortgage		189	4.2	3.9	Jul Dec	717.8	2.11	6004
Scot National Inc		83	—	7.5	ApJyOcJa	148.5	15.2	3981
Cap		24	—	–	–	15.3	–	3988
Stepped Pf		164¼	2.0	8.68	Sep Mar	49.4	15.2	3962
Zero Div Pf		208½	0.2	–	–	133.2	–	3984
Warrants		4	—	–	–	0.51	–	3983
Scot Value		78	0.6	1.8	Jan Oct	37.4	7.9	2798
Sec Alliance		1463xd	0.7	36.5	Apr Oct	284.7	1.3	3974
Second Consid.		107	—	–	–	30.6	–	1870
Second Market		317	5.3	1.5	May	31.4	6.4	3976
Sec Tst Scot		84	2.4	3.25	Jul Dec	208.1	2.11	3977
Select Assets		124xd	3.3	1.2	Apr	36.4	1.3	5685
Eq Inc Serl		131	0.8	4.25	JaApJuOc	23.1	11.1	4803
Eq Ind Serl		131	0.8	4.25	JaApJuOc	27.8	11.1	5885
SHIRESCOT		118xd	—	5.25	DeMrJeSe	15.1	1.3	1339
Shires		259	1.6	18.4	ApJyOcJa	65.2	14.12	4014
11pc Cv Ln '03/04		£129xd	-4.2	Q11%	Sep Mar	28.9	1.3	4012
Siem Select		132	—	9.25	Sep	19.8	24.8	1387
Warrants		35	-5.4	–	–	1.05	–	1379
Smaller Cos		94xd	-.5	2.8	Apr Oct	14.1	1.3	3898
Warrants		24	4.3	–	–	0.72	–	3899
Sphere Inc		28½	7.9	3.1	MyAuNvFe	24.9	1.2	4278
Zero Div Pf		84	1.8	–	–	89.1	–	6227

MERCHANT BANKS

METALS & METAL FORMING

MISCELLANEOUS

INVESTMENT COMPANIES

MEDIA

MOTORS

OIL & GAS

OIL & GAS - Cont.

OTHER FINANCIAL

OTHER INDUSTRIALS

PACKAGING, PAPER & PRINTING

PACKAGING, PAPER & PRINTING - Cont.

PROPERTY

STORES

TELEPHONE NETWORKS

TEXTILES

TRANSPORT

WATER

SOUTH AFRICANS

PLANTATIONS

MINES

MINES - Cont.

GUIDE TO LONDON SHARE SERVICE

Company classifications are based on those used for the FT-Actuaries Indices and FT-Actuaries World Indices.

Closing mid-prices are shown. Prices and net dividends are in pence unless otherwise indicated.

Where stocks are denominated in currencies other than sterling, this is indicated after the name.

Dividend covers are based on "maximum" distribution; this compares gross dividend costs to profit after taxation, excluding exceptional profits/losses but including estimated extent of offsettable ACT. Market Capitalisations are published on Tuesdays-Saturdays except for Investment Trusts and British Funds.

- □ Indicates the most actively traded stocks. This includes UK stocks where transactions and prices are published continuously through the Stock Exchange Automated Quotation system (SEAQ).
- ● "Tap Stock"
- † Interim since increased or resumed
- ‡ Interim since reduced, passed or deferred
- ‡‡ Tax-free to non-residents on application
- Figures or report awaited
- Not officially UK listed; dealings permitted under rule 535(4)(a)
- Free annual/interim report available, see details below.
- USM; not listed on Stock Exchange and company not subjected to same degree of regulation as listed securities.
- Not officially UK listed; dealings permitted under Rule 535(2)
- Price at time of suspension
- ¶ Indicated dividend after pending scrip and/or rights issue; cover relates to previous dividend or forecast.
- Merger bid or reorganisation in progress
- § Forecast dividend; cover based on earnings updated by latest interim statement.
- Unregulated collective investment scheme.

a Annualised dividend. b Figures based on prospectus or other official estimates. c Cents. f Flat yield. g Assumed dividend. h Assumed dividend after scrip issue. m Interim higher than previous total. n Rights issue pending. q Earnings based on preliminary figures. s Dividend excludes a special payment. t Indicated dividend: cover relates to previous dividend. u Forecast, or estimated annualised dividend rate, cover based on previous year's earnings. v Not subject to ACT. z Dividend includes a special payment: Cover does not apply to special payment. E Auction basis. F Dividend based on prospectus or other official estimates for 1994-95. G Assumed dividend after pending scrip and/or rights issue. H Dividend based on prospectus or other official estimates for 1993. K Dividend based on prospectus or other official estimates for 1992-93. L Estimated annualised dividend, cover based on latest annual earnings. M Dividend based on prospectus or other official estimates for 1993-94. N Dividend based on prospectus or other official estimates for 1992. P Figures based on prospectus or other official estimates for 1994. Q Gross. R Forecast annualised dividend, cover based on prospectus or other official estimates. T Figures assumed. W Pro forma figures. Z Dividend total to date.

Abbreviations: xd ex dividend; xc ex scrip issue; xr ex rights; xa ex all; xi ex capital distribution

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NEW YORK STOCK EXCHANGE COMPOSITE PRICES

1992/93 High	Low	Stock	Div	Yld. %	P/E	Sls 100s	High	Low	Close Quote	Ch'ge Prev. Close
15⅞	10¾	AAR Corp	0.48	3.7	23	119	13	12¾	12⅞	-⅛
28½	18	A L Labs A	0.18	0.8	140	134	22½	22⅛	22½	+¼
60¾	52⅞	AMP Inc	1.60	2.7	21	2456	59¾	58⅛	58¾	+⅛
60¼	54⅛	AMR			9	4939	60⅛	58¾	59⅜	+¼
2⅜	1⅝	ARX			11	90	1⅞	1¾	1⅞	
53½	29⅞	ASA	2.00	5.4	24	670	37	36⅝	36¾	+⅜
34¼	22⅝	Abbott Lab	0.60	2.4	17	12588	26⅛	25½	25½	
13⅞	10¼	Abitibi Pr	0.50	4.7	3	71	11	10¾	10¾	
11⅝	10⅛	ACM Gvt In	0.96	8.4		376	11⅜	11¼	11⅜	
10⅜	9	ACM GvOpp	0.79	8.2		328	9⅝	9⅜	9⅝	+¼
9¾	8½	ACM Gvt Sp x	0.79	8.4		348	9½	9⅜	9⅜	-⅛
11⅜	9⅝	ACM Gvt Se x	0.96	8.6		435	11¼	11⅛	11⅛	
10⅞	8⅝	ACM Man	1.08	9.9		230	u10⅞	10⅝	10⅞	+⅛
12⅞	8⅝	ACM Managd	0.78	8.5		86	9¼	9⅛	9⅛	-⅛
11¼	4¾	Acme Cleve	0.40	4.9	17	2	8⅛	8⅛	8⅛	
9¼	3¾	Acme Elect			662	31	6⅝	6⅝	6⅝	
33¼	12⅛	Acuson			12	1860	13½	13⅛	13⅛	-½
22¼	18⅛	Adams Expr	0.48	2.3	1	85	21¼	21⅛	21¼	
51½	29½	Ad Micro x	3.00	5.8		824	u51⅝	50½	51⅝	+⅞
22⅞	7½	Ad Micro P	3.00	12.9	9	8911	u23½	22⅝	23¼	+⅝
8⅛	4⅞	Advest Grp	0.16	2.3	14	132	7⅛	7	7	-⅛
47	33	Aegon ADR	1.35	2.9	8	63	u47	46¾	46¾	-¼
53¾	38	Aetna Lf	2.76	5.7	962	2177	48⅝	47¾	48⅛	-½
14½	8⅜	Affil A	0.24	2.0	30	453	12¼	12⅛	12⅛	+⅛
36⅞	24	Aflac	0.44	1.2	16	855	36¾	36⅜	36⅜	-¼
22⅛	13	Ahmanson	0.88	4.3	10	1625	21	20½	20½	-½
22½	4	Aileen Inc			23	51	6⅝	6½	6½	
48½	38½	Air Pr Chm	0.88	1.9	18	1686	44¾	44⅛	44⅛	-⅛
29¾	12½	Airborne Frt	0.30	1.3	165	268	22½	22⅛	22¼	
24¼	11¼	Airgas Inc			33	356	24⅛	23⅞	24⅛	
12⅜	8⅛	Airlease	1.60	13.5	9	72	11⅞	11⅝	11⅞	+¼
104	98	AlaPw8.16 x	8.16	8.0		z100	103¼	102½	102½	
105½	100¼	Alab 8.28C x	8.28	8.0		z100	105	105	104	
11¼	10¼	AlaPwDpPf	0.87	8.5		z100	10⅜	10⅜	10¼	
23⅞	14¾	Alaska Air	0.20	1.2	2	148	16⅜	16¼	16⅜	-¼
21¼	11¼	Albany Int	0.35	2.3	140	1155	15½	14¾	15½	+⅝
32	21¼	AlCulvr B	0.26	1.0	19	305	26⅛	25⅝	25⅝	-¼
25¾	19⅝	AlCulvr A	0.26	1.1	18	475	24½	24	24	-½
54½	38¾	Albertsons	0.64	1.2	25	1026	54¼	53⅞	54⅛	
22¾	15¼	Alcan Alum x	0.30	1.6	30	5899	18⅝	18¼	18⅜	+⅛
42¾	33⅛	Alco Stand	0.96	2.3	17	540	42½	42⅛	42¼	-¼
24⅝	14⅝	AlexBrown	0.50	2.3	6	301	21½	21¼	21½	+⅛
28⅞	18	Alexr Alex x	1.00	3.9	19	209	26⅛	25⅝	25⅝	
39½	27½	Allegh Lud x	0.88	2.4	25	767	36	35⅞	36	+⅛
51⅞	41½	Allegh Pow	3.24	6.3	14	3260	51½	51¼	51⅜	-⅛
32½	22⅝	Allen Gp	1.75	5.5		70	32	31½	31⅞	
31½	18⅞	Allen Cm	0.24	0.8	18	46	30⅞	30⅝	30¾	+⅛
27¼	20⅞	Allergan	0.40	1.8	14	1378	22⅝	22	22½	+⅜
42⅝	28⅞	Allnce Cap	2.51	6.2	15	378	41⅛	39⅞	40¾	+⅞
12½	9¼	Allnce Gl	0.16	1.6		142	10⅛	10	10	-⅛
21¼	16¼	Ald Irish	0.95	5.0	10	24	18⅞	18¼	18⅞	+⅞
68¼	40⅞	Alld Sig	1.16	1.8	17	2613	67¼	66¼	66¼	-½
11⅜	9⅞	AlstMunTr x	0.78	6.9		156	u11⅜	11⅛	11¼	
9⅞	7½	AlstIncOp x	0.63	7.3		401	8¾	8½	8⅝	
10½	8⅛	AlstMninc x	0.72	7.7		138	9⅝	9⅜	9⅜	
10¼	8⅞	AlstMnInc x	0.60	5.9		21	10⅛	10	10⅛	
50⅝	34¾	Alltel Crp x	1.60	3.3	19	541	48½	48	48½	+½
8⅜	5	Allwaste			18	383	6¼	6⅛	6⅛	
80⅝	61	Alcoa	1.60	2.3	291	6036	70⅞	69⅛	69⅞	+1⅜
55⅛	25¼	Alza Cp A			33	3443	30⅝	29¾	29⅞	-¾
11¾	10¼	AmGovInc x	0.96	8.3		125	u11¾	11⅝	11⅝	-⅛
8½	6½	Am Precis	0.22	2.9	22	96	7½	7⅜	7½	
23⅜	15	Amax	0.40	2.1	11	2828	19	18½	18⅞	+⅜
12½	7⅝	Amax Gold	0.08	1.0	45	1616	8⅛	8	8⅛	+⅛
[illegible]	[illegible]	Ambase Cp			0	1773	[illegible]	[illegible]	[illegible]	
25	11⅝	Amcast Ind x	0.48	2.5	11	57	19⅜	19	19	-⅜
52⅜	36⅝	Amerada Hs	0.60	1.2	579	1758	52¼	51⅝	52⅛	+⅛
10⅞	9⅞	Am Adj R x	0.60	5.9		155	10⅛	10	10⅛	+⅛
17¾	11	Am Barrick	0.02	0.1	28	3337	u17¾	17½	17½	
49⅞	33⅝	Am Brands	1.97	5.8	7	6509	34	d33⅝	33¾	-¼
20¼	15¾	Am Build M	0.50	2.6	13	95	19½	19¼	19½	+⅛
31¼	22¾	Am Bus Prd x	0.75	2.7	15	10	28	27⅞	28	
8⅝	7⅛	Am Cap Inc	0.77	9.6		114	8⅛	8	8	-⅛
21⅞	18¾	Am Cap Bd	0.16	0.7	37	46	21¾	21½	21⅝	-¼
21⅞	18½	Am Cap CV	1.16	5.3	0	54	21¾	21⅝	21¾	+⅛
66⅜	46	Am Cyanamd x	1.65	3.3	11	2343	50⅝	50	50⅛	-⅝
38⅜	30⅜	Am El Powr	2.40	6.7	14	3705	36⅛	35⅞	35⅞	-⅛
28⅝	20	Am Express	1.00	3.9	30	18649	25⅝	25	25½	+½
30¼	21⅛	Am Genl Co	1.10	3.7	12	2228	30	29½	29¾	+⅛
9½	8	Am Govt In x	0.77	8.1		180	u9½	9⅜	9½	
37	18½	Am Hlth Pr	2.20	9.6	61	305	23¼	22¾	22⅞	-⅛
33⅞	23	Am Heritge	0.84	2.6	14	z100	31⅞	31⅞	31⅞	+¼
84¼	55½	Am Home Pr	2.84	4.6	16	6212	62¼	60⅝	61⅝	+⅞
3⅜	1¾	Am Hotels	0.75	33.3	7	46	2⅜	2¼	2¼	
127⅞	82	Am Intl Gr x	0.56	0.5	16	2677	123¾	122	122	-1¼
2⅛	[illegible]	Am Intrnl			0	62	[illegible]	[illegible]	[illegible]	
8¾	[illegible]	Am Intl Pf	2.00	177.8		13	1⅛	1⅛	1⅛	
12½	10⅜	Am Opp Inc x	1.00	8.7		226	11⅝	11½	11½	
48	30¼	Am Presdt	0.60	1.4	8	445	44⅛	43¼	44	-¼
10⅞	6⅛	Am Real Es	1.00	11.4	8	88	8⅞	8¾	8¾	-⅛
3½	¾	Am Ship Bd			1	10	2⅛	2	2	
47	30½	Am Stores	0.80	2.0	13	2026	40⅛	39⅝	40	-⅛
57⅞	38⅝	AT&T	1.32	2.3	19	13336	57½	56⅛	56½	-¾
20	18½	Am Watr 5%	1.25	6.5		2	19	19	19¼	-½
28⅞	20⅝	Am Watr	1.00	3.8	12	153	26⅝	26¼	26½	
76½	48¼	Ameritech	3.68	5.0	14	2233	74⅞	74⅛	74⅛	-¾
36½	29	Ameron Inc	1.28	3.9	21	4	32¾	32¾	32½	
18⅛	13⅛	Ametek Inc	0.68	4.7	14	335	14¾	14½	14½	
57	41¾	Amoco	2.20	4.0	32	3470	55⅞	54⅝	54⅞	-½
10¼	5½	AmpcoPitt	0.20	2.3	38	53	8⅝	8¾	8¾	-¼
12⅛	4⅛	Amre Inc	0.12	1.9	28	7	6⅜	6⅜	6⅜	-⅛
32⅝	21¼	Amsouth	1.16	3.6	13	1733	31⅞	31½	31⅞	+⅞
6⅝	3	Anacomp			10	522	3⅞	3⅝	3¾	
34⅞	18½	Anadarko	0.30	0.9	67	888	33¾	33	33¼	-½
18¾	8⅝	Analog Dev			35	1018	18	17⅝	17⅝	
40	22¼	Angelica	0.92	3.9	12	150	24	23⅝	23¾	-⅛
60¾	50¾	AnheuBsch	1.28	2.4	15	5131	54⅛	53½	53½	-1
28	25¼	ANR PpePf	2.68	9.8		z100	26¼	26¼	27¼	+1
49¼	31¾	Anthem			15	322	38⅛	37⅜	37¾	+¼
14	9½	Anthony In	0.44	3.5	15	7	13	13	12¾	
55½	39⅛	Aon Corp	1.68	3.2	89	434	53	52	53	+1
25⅛	12	Apache Crp	0.28	1.2	23	2482	24½	23⅞	24	-⅝
11¾	8⅞	Apex Muni F	0.81	7.4		316	11	10⅞	11	
10⅝	5⅛	APH			32	91	8⅜	8¼	8⅜	
103	96½	ApplPwPf	8.12	8.0		z100	101⅝	101⅝	102	+⅜
14½	5	Appld Mag			643	538	13⅛	12⅞	12⅞	-½
18½	13⅝	Appl Pw A	0.12	0.7	22	65	17½	17¼	17¼	-¼
31¼	22	ArcherDan	0.10	0.4	16	4826	27	26⅞	26⅞	-⅝
47¼	36⅝	Arco Chem	2.50	6.0	20	1121	42¼	40¾	41⅜	-1
12⅜	6⅞	Arkla	0.28	3.4	812	721	8⅜	8⅛	8⅛	-⅛
40½	29½	Arkla Pf	3.00	7.8		36	38⅞	38¼	38½	-¼
49½	32½	Armco 4.5P x	4.50	9.2		106	49	48¾	48⅞	+⅛
8⅜	4⅞	Armco Inc			1	1324	7½	7⅛	7⅛	-⅛
27½	19	Armco 2.1P x	2.10	8.2		3	25⅝	25⅝	25⅝	-¼
37½	24½	Armstrong	1.20	3.6	16	1524	33⅞	32¼	33⅜	+⅞
32¾	14½	Arrow Elec			18	3409	u34⅜	32½	34	+1¼
11¼	3⅜	Artra Grp			0	z100	4⅛	4⅛	4⅛	
33⅞	20⅜	Arvin Ind	0.76	2.3	19	333	33⅝	33⅜	33½	-¼
31¾	19¾	Asarco Inc	0.80	3.2	35	1192	25¼	24⅛	24¾	+⅝
38	23¾	Ashld Coal x	0.40	1.5	12	344	26¼	26	26¼	+⅛
34	22½	Ashland Oil	1.00	3.6	29	983	28⅜	28	28	
17	12¼	Asia Pac F	0.09	0.7		382	13⅝	13½	13⅝	+¼
14¾	5⅝	Asset Invr	1.83	31.1	3	310	5⅞	d5⅝	5⅞	+¼
35	18⅛	Ass Nt Gas	0.12	0.4	29	146	34⅛	33⅞	33⅞	-⅛
16½	12¼	Athlone	1.00	7.0	15	70	14⅜	14	14¼	+⅛
290¼	235⅝	Atl Rich 2	2.80	1.0		2	280½	280½	284½	
41⅝	30¼	Atlnta Gas	2.08	5.0	21	140	u41¾	41⅛	41⅜	
8¼	4½	Atlnta Sou	0.40	6.0	10	15	6¾	6⅝	6⅝	-⅛
25	19½	Atlntc Egy	1.52	6.1	14	1079	u25	24¾	24⅞	
122	98⅛	Atl Rich	5.50	4.7	15	3094	119½	116⅜	117	-2¼
7	2½	Atlas			12	40	2⅞	2¾	2⅞	
25¾	19	Atmos Engy x	1.28	5.1	15	24	25¼	25⅛	25⅛	
13⅞	8⅝	Atwds ADR	0.70	7.3	12	657	9⅝	9½	9⅝	+⅛
11¾	4¾	AudioVid			22	465	11⅜	11⅛	11⅞	+⅛
13¼	8½	Augat	0.40	3.2	35	622	12¾	12⅛	12⅝	+¼
10⅝	6⅝	Austria Fd	0.02	0.3		199	8	7⅞	7⅞	+⅛
55⅞	38¼	Autom Data	0.46	0.9	27	1923	53¾	53¼	53⅜	-⅛
4⅛	2	Avalon Egy			2	59	3⅝	3⅝	3⅝	
28	21	Avemco	0.40	1.6	29	74	24⅝	24⅜	24⅜	-⅛
37	23½	Avnet Inc	0.80	1.8	19	432	32⅞	32⅝	32⅞	
63⅞	44	Avon Prods	1.60	2.6	25	1194	63⅛	62⅝	62⅝	-½
28⅞	13	Avdin Corp			11	32	16¾	16⅝	16¾	

- B -

1992/93 High	Low	Stock	Div	Yld. %	P/E	Sls 100s	High	Low	Close Quote	Ch'ge Prev. Close
43¼	32	BCE	2.64	7.1	10	1928	37¼	36⅞	37⅛	-⅛
15⅛	5⅛	BET ADR	0.32	5.7	60	86	5⅝	5½	5⅝	+⅛
8½	5⅝	Balmco x	0.20	2.5	11	63	7⅞	7⅞	7⅞	-⅛
19⅛	16⅝	Baker Fent	3.08	17.1		189	18	17¾	18	
25⅜	15⅞	Baker Hugh	0.46	2.0	137	5534	23⅜	22⅞	23⅛	-⅜
33½	19⅜	Baldor Elc	0.38	1.8	21	37	21⅞	21½	21⅝	
38½	28	Ball Corp x	1.24	3.5	15	513	35½	34⅞	35⅛	-⅛
8⅛	4⅛	Bally Mfg			125	1874	6½	6¼	6¼	
26⅜	19¾	Baltim G&E	1.44	5.6	15	711	25⅞	25½	25½	-¼
9⅜	4½	Balt Bnkcp	0.60	7.5	7	771	8¼	7⅞	8	
54	42⅛	Banc One	1.40	2.7	15	4682	52⅞	51⅞	52	-⅞
15	2¾	BancFlrda			7	29	12⅜	12⅛	12⅜	+⅜
30	18⅞	BancoBil V	1.32	5.4	5	61	24⅜	24¼	24⅜	
18⅝	12⅜	BancoCentH	0.91	6.3	6	13	14⅜	14⅛	14⅜	+¼
52	40¼	BcrpHawaii	1.29	2.6	11	143	50¼	49⅝	50⅛	-¼
73¼	51½	Bandag Inc	0.65	1.1	19	382	57	56⅝	56⅞	-⅛
54⅛	35⅜	BankAmrica	1.40	2.7	12	7644	51⅞	51	51¼	-½
77½	55	Bank Bost	5.44	7.0		2	u78	77	78	+½
27½	11⅜	Bank Bostn	0.40	1.5	12	1090	27	26½	26⅝	-⅛
44⅝	31	Bk Bostn P	2.96	6.9		27	42¾	42¼	42⅝	+⅛
60¼	30	Bank New Y	1.52	2.7	12	2932	57	56⅜	56⅞	+⅛
48	42½	BankAm A	3.25	6.7		40	u48¼	47¾	48¼	+⅜
83⅜	72¾	BankAm B	6.00	7.2		17	u83½	83	83½	+⅝
70⅛	50	Bankers Tr	3.12	4.5	7	2680	u70¼	69¼	69⅞	+¾
30½	20⅛	Barclay ADR	1.64	6.9	61	174	24	23⅛	23¾	+½
35⅞	22½	Bard (C R)	0.52	2.0	18	2262	25⅞	25⅝	25⅝	-½
36⅛	28¼	Barnes Grp x	1.40	4.5	33	12	31½	31¼	31⅜	+⅛
47⅛	31	Barnett Bk x	1.32	2.9	23	764	46½	45⅜	45⅝	-½
7½	4⅞	Baroid	0.20	2.9	28	1185	6⅞	6¾	6⅞	-⅛
8⅝	4½	Battle Mt	0.10	1.6	13	6318	6¼	6⅛	6⅛	+⅛
60¼	44½	Bausch Lmb	0.80	1.4	19	1735	55½	54⅞	55¼	
40½	27⅛	Baxter	0.88	3.0	14	5545	29⅜	29	29⅛	
28	20¾	Bay St Gas	1.38	5.0	15	70	27⅝	27¼	27½	+⅛
25¾	21⅝	Bd Tr 1838	2.20	9.0		23	24⅜	24¼	24¼	+⅛
18¾	13½	Bear Strns	0.60	3.5	6	12570	17⅜	16⅝	17⅛	+¼
48	43⅞	BearStPfA	3.03	6.6		4	46	46	46	
23¼	16¾	Bearings	0.64	3.1	164	6	20⅞	20⅝	20⅞	+⅛
25½	17⅝	Beckman In	0.36	1.5	15	141	23⅞	23⅝	23⅞	+⅝
42	32⅛	Becton Dks	0.66	1.9	13	1629	36⅛	35⅛	35⅝	+¼
37½	25⅞	Belding Hy x	0.64	2.0	23	10	32½	32⅝	32½	
59¾	40¼	Bell Atlan	2.60	4.7	16	2736	55⅝	54⅝	54¾	-⅝
13¼	9¼	Bell Indus	0.40	3.8	362	89	10⅝	10⅜	10½	-⅛
57½	42⅝	BellSouth	2.76	5.0	16	2608	57¼	55¾	55⅜	-1⅜
48⅞	30⅝	Belo AH A x	0.56	1.4	20	132	39⅛	39¼	39¼	-½
29⅝	18¾	Bemis	0.50	2.0	23	322	25⅞	25⅜	25½	-⅜
58½	50	Benef 4.3P x	4.30	7.7		z100	57	57	58	-¾
68⅞	58⅛	Benef x	2.80	4.2	11	169	67⅝	67	67	-½
23⅛	17¾	Benetton A	0.33	1.7	9	3	20¼	20¼	20	
1⅜	[illegible]	Benguet B	0.04	5.8	9	582	¾	[illegible]	[illegible]	
14⅛	10¾	Berry Petr	0.60	4.8	27	53	13	12⅝	12⅝	-½
47⅛	14⅛	Best Buy			36	940	44⅜	43¾	44½	+⅛
28¾	20¾	Beth St 2.	2.50	9.2		14	27⅛	27⅛	27⅛	+¼
55⅞	40⅝	Bethlhm Pf	5.00	9.5		51	53⅛	52½	52¾	-⅛
20	10	Bethlhm St	0.40	2.3	6	11053	17¾	17⅛	17½	-⅛
68¼	48¼	Betz Lab			22	243	60⅛	59⅛	59⅝	+¼
14¾	7¼	Beverly En			281	8597	11⅞	11	11¼	-⅝
26½	16	Biocraft	0.10	0.5	182	6	20¼	20⅛	20⅛	
27¼	13½	Birmingm S	0.40	1.7	24	478	24⅛	23⅝	23¾	-⅛
38⅞	14⅝	Black & D	0.40	2.2	16	1657	18¼	17⅝	18⅞	+¼
32¼	22⅞	Black H PL	1.28	5.0	14	56	25¾	25⅜	25¾	
11⅜	9⅞	BlckrckAdv	0.83	7.7		101	10⅞	10½	10¾	
10⅞	8⅜	BlckrckInc	0.89	9.4		1037	9⅛	8⅞	9	
11⅛	9¾	BlckrckTgt	0.80	7.7		318	10⅜	10¼	10⅜	
42⅝	30⅛	Block H&R	1.00	2.6	25	1864	38⅝	38	38⅛	
20⅛	11⅛	Blockbstr	0.06	0.3	24	5447	18⅜	18⅛	18⅝	+¼
8¼	7⅜	Blue Chip	0.76	9.5		94	8⅛	8	8	
12⅛	6½	BMC Ind			8	82	10	9⅞	10	+⅛
54⅝	33¾	Boeing	1.00	2.9	7	7579	35⅛	34⅜	34⅝	+⅛
26⅜	18⅜	Boise Casc	0.60	2.5	5	1170	24⅝	24	24⅛	+¼
6¾	3⅝	Bolt B & N	0.06	1.3	3	45	4⅝	4½	4½	
22⅞	12⅞	Bordn Ch	1.24	7.5	22	886	16⅞	16¼	16½	-¼
24⅛	12⅝	Bordn Ch U	1.24	7.8	15	893	16¼	15⅝	16	
34⅞	24⅛	Borden Inc	1.20	4.6	17	1178	26½	26	26	-¼
23⅞	18¾	Bostn Celt	1.25	7.0	20	12	18⅛	17⅞	17⅞	+⅛
106½	100¼	Bostn Ed 8	8.88	8.5		7	104	104	104	
27¼	17⅝	Bowater	1.20	5.3	8	918	22¾	22½	22½	+⅛
23⅝	11	Brazil Fnd	0.27	1.8		135	14⅞	14⅜	14⅞	-⅛
38	26⅜	BRE Prop x	2.40	6.3	10	32	u38⅛	38	38⅛	+¼
64½	41¾	Briggs & S x	1.68	2.6	16	784	63¾	62¾	63⅝	+⅞
49	29⅞	Brinkerint			34	644	46⅞	46	46¼	-½
90⅛	53	Bristol M	2.88	5.1	19	13458	57½	55⅝	56⅜	+¾
57½	37⅜	Brit Airwy	2.50	5.8	6	426	43	42¾	42⅞	-⅛
48½	40⅛	Brit Gas	3.58	8.0	10	93	44⅛	44¼	44⅛	+¼
66⅞	41⅜	BP ADR x	3.04	6.0	20	3984	51⅜	50	50⅞	+⅛
32¼	27⅞	BP Prudhoe	2.83	9.1	9	299	31⅞	31¼	31¼	-⅛
1⅞	0	BP Wts93				384	0	d0	0	
15⅜	7	Brit Steel	0.94	7.5	35	1131	12⅜	12½	12½	-⅛
70⅝	53⅞	Br Telecm	2.43	3.9	13	777	63⅛	62¾	63	+¼
33¼	15¾	Broad Inc	0.28	0.9	17	1186	31¼	30⅞	31¼	
38¾	28	Brooklyn U	1.98	5.2	17	234	u38⅞	38¼	38⅜	-⅛
32⅞	21	Brown Grp	1.60	5.0	127	217	32	31⅝	31⅞	+½
10½	5	Brown&Shrp	0.32	3.7	10	112	8¾	8½	8⅝	-⅛
90	72	BrwnFormnB	2.72	3.4	14	221	80½	78⅞	79½	
28⅝	19⅞	Browning F	0.88	2.4	24	5029	28⅛	27⅝	28	+¼
4	1⅞	BRT			2	15	3⅜	3⅝	3⅝	
17⅜	12⅛	Brunswick x	0.44	2.8	36	1254	15⅜	15¼	15½	+⅛
19	12⅜	Brush Well	0.20	1.4	22	399	14⅞	14⅝	14¾	
35½	25⅞	Buckeye Pt	2.60	7.5	12	93	35	34¾	34¾	
17¼	14⅞	Bunker Hll	1.36	8.4	0	51	16⅜	16¼	16¼	+⅛
15	11⅝	Burger K I x	1.56	10.9	27	30	14½	14⅜	14⅜	
28¼	11	Burl Coat			15	212	24⅞	24⅛	24⅛	-⅛
49⅝	33¼	Burl North x	1.20	2.4	14	6563	u50¼	48⅝	49¼	+1⅜
45⅝	33	Burlin Resc	0.55	1.3	30	2787	44½	43¼	43½	-1⅛
18⅞	14¼	Burnham Pc	1.38	7.3	133	78	18⅝	18⅜	18⅝	+⅛

- C -

1992/93 High	Low	Stock	Div	Yld. %	P/E	Sls 100s	High	Low	Close Quote	Ch'ge Prev. Close
37½	25¼	CBI Ind	0.48	1.7	15	1306	27¾	27¼	27½	-⅛
230½	132¼	CBS Inc	1.00	0.5	19	1023	205½	201⅛	205⅛	+5¾
1⅝	[illegible]	CCX Inc			1	2	[illegible]	[illegible]	[illegible]	
[illegible]	[illegible]	CF Inc Uts	0.16	102.4	0	60	[illegible]	[illegible]	[illegible]	
22⅝	14⅞	CMS Energy	0.48	2.4	41	2589	20⅜	20⅛	20⅜	
104½	78½	CNA Fnl			11	278	94	90⅝	91	-3
51½	39¾	CPC Intl	1.20	2.5	17	2106	49¼	48⅝	48¾	-¾
27⅛	14⅞	CPI Corp	0.56	2.9	12	314	19⅝	19½	19½	-⅛
79¾	54½	CSX x	1.52	2.1	366	5068	73⅝	72	73⅝	+1½
24½	16⅞	CTS Corp	0.40	2.2	49	13	18¼	18	18¼	
33⅝	28⅜	Cable&Wire	0.58	1.9	17	18	31⅛	31	31¼	-⅛
82¼	42⅛	Cabletron			31	864	86	84	85½	+⅞
52⅜	31⅞	Cabot Corp x	1.04	2.7	13	605	38⅜	38⅛	38⅛	-¼
20¼	10¼	Cabot O&G	0.16	0.8	111	257	20⅝	19⅞	20	-⅝
29⅞	13⅛	CadnceDsgn			15	2403	18⅞	18¼	18⅝	-⅛
47⅜	25	Caesars Wd			15	576	42	41⅝	42	+⅜
2¾	1¾	Cal Real E x	0.20	8.8	5	7	2⅜	2⅜	2¼	
4¾	1¼	Calfed Inc	0.12	4.0	0	6511	3¼	2⅞	3	
28¾	15¼	Calgon Cbn	0.16	0.9	25	579	18⅛	17⅞	17¾	-⅛
28⅝	18¾	Callmat Co x	0.64	3.3	42	40	19⅜	19⅜	19¼	-⅛
1⅛	⅛	Calton Inc			0	110	[illegible]	[illegible]	[illegible]	
45¼	31½	Campbell S	0.88	2.0	45	2762	44⅛	43½	43½	-⅝
[illegible]	[illegible]	Campbl Rs			28	32	[illegible]	[illegible]	[illegible]	
16⅜	10½	Can Pac	0.32	2.2	4	4123	14½	14	14⅜	+⅜
521	410⅛	Cap Cities	0.20	0.0	21	231	494	490	493½	+3½
81	52	Cap Hldg x	1.48	1.9	12	1081	76⅛	75⅛	76	-¼
39	24½	Capstd 1.6	1.20	3.3		9	u36¾	36⅜	36⅜	+¾
42	27½	Capstd Mge	3.44	8.3	12	197	u42	41⅛	41⅜	-⅝
[illegible]	[illegible]	Careercom			0	21	0.24	0.24	0.24	
17⅞	11⅞	Caremark			35	5279	14⅛	13⅞	14	-¼
51⅜	35¼	Carlisle	1.36	2.6	16	119	u51⅝	51⅛	51⅛	+⅛
3⅜	[illegible]	Carolco Pc			0	141	1⅛	[illegible]	[illegible]	
20¼	10½	Carolna Fr	0.20	1.5	14	138	13½	13¼	13½	-⅛
32⅝	24½	Carolna Pwr	1.64	5.0	13	1607	32⅝	32⅜	32⅝	
52⅛	41	Carpenter	2.40	4.9	33	95	49¾	48⅜	48¾	-¾
45¾	22⅝	CarterWal	0.33	1.2	25	889	27½	25¾	26⅝	+¾
25⅛	20¾	Cascde N G	1.40	5.8	25	50	24¼	24⅛	24¼	
13	7⅜	Cash Amer	0.05	0.5	21	178	9¾	9⅝	9¾	
62⅛	41¼	Caterpllr	0.60	1.0	27	3780	59¼	58⅝	58¾	+⅛
10⅝	6	CDI Corp			55	22	9¾	9½	9½	-⅜
31⅛	17¾	Cedar Fair	1.85	6.0	15	145	31	30⅞	31	+¼
26	23¼	CnHudCEPf	1.84	6.5		3	24¼	24¼	25¼	+¼
47⅜	28¼	Centel Crp	0.90	2.3	41	753	40	39½	39⅞	+¼
20	15¾	Centerior	1.60	8.2	13	2728	19⅞	19⅝	19⅝	-⅛
34⅝	20	Centex Crp	0.20	0.7	17	1706	31⅝	30⅝	30⅞	-⅝
34	25⅞	Centr Hdsn	2.00	6.0	12	86	33⅝	33⅜	33½	-¼
26¼	22¾	Centr Loui	1.38	5.5	13	56	25¼	25⅛	25¼	
24½	19⅞	Centr Main	1.56	6.5	12	191	24⅛	24	24	-¼
24	19	Centr Nwsp	0.44	1.9	26	17	23	22¾	23	+¼
25⅝	19½	Centr Vrmt	2.13	8.5	14	50	25⅛	25	25⅛	
39¼	24¾	CentrlSW	1.62	5.0	15	1459	32½	32⅛	32⅜	-½
32	26	Century Tl x	0.44	1.4	24	941	31¼	30¾	31⅜	
17⅛	13⅛	Ceridian			21	672	14¾	14½	14½	
33	23½	Champion	0.20	0.7	202	2118	30¾	30½	30⅝	+¼
12⅝	8¼	Chaparral	0.20	1.8	379	31	11½	11⅜	11⅜	
13	5½	Chart Hse			156	90	6¼	6	6¼	+⅛
49⅞	35⅝	ChaseM PfF	3.75	7.6		24	49½	49	49⅛	+⅛
32⅞	17¼	ChaseManh	1.20	3.7	9	5147	32½	31¾	32¼	+⅛
10	2⅞	Chasse B			21	181	5⅛	4¾	5	-⅛
51	0	Chem Bk Pf	3.78	7.6		6	50	49¾	49¾	
11⅝	8¾	Chem Bk C	0.76	6.6	0	252	u11⅝	11½	11½	
51⅜	0	ChemBkAdj	4.45	8.8		23	50½	50½	50½	
32⅜	24¼	Chemed	2.00	6.9	19	160	29	28⅝	28⅞	+⅜
42⅞	27⅞	Chem Bkg	1.20	2.9	291	8078	41⅜	40⅝	40⅞	+⅛
23½	16⅞	Chem Waste	0.20	1.1	29	2595	19⅜	18⅞	18⅞	-½
29⅜	18¼	Chesapeake	0.72	3.4	33	630	22½	20⅞	21⅜	-1⅛
79⅞	60⅛	Chevron	3.50	4.5	11	5580	78½	77½	77½	-¾
156	134	Chic Milwk	12.78	8.9	8	z100	143	143	143⅝	
100	78	Chic Mil Pf	5.00	5.2		z100	96⅛	96⅛	96½	+¼
41	24	Chile Fund	3.32	9.6		107	34½	34¼	34½	+⅛
40⅛	12⅞	Chiquita B	0.66	4.6	9	1565	14⅞	14½	14⅜	
10⅝	5⅜	Chock Full			23	169	9⅝	9½	9⅝	
35⅝	24¾	Chris Craf			14	646	35⅜	34⅞	35	-⅛
36¾	27	Christiana			36	24	31	30¾	31	
41⅛	11½	Chrysler	0.60	1.5	26	21760	39⅜	38¾	38⅞	
95½	62⅝	Chubb Corp	1.60	1.8	13	1339	92⅜	91⅛	91⅛	-1¼
68	47⅛	Cigna Corp	3.04	6.0	12	932	61	60⅞	60⅛	-¼
8½	7	Cigna H I x	0.90	10.6		309	u8½	8⅜	8½	
43⅜	33⅝	Cilcorp In	2.48	5.8	17	34	42¾	42⅝	42¾	-¼
85	58	CinG&E4.75 x	4.75	7.6		3	61½	61½	62½	+1
20⅞	15⅜	Cinn Bell	0.80	4.2	33	312	19⅛	18⅞	18⅞	-¼
28¾	22¼	Cinc Gas	1.66	6.2	13	787	u26¾	26½	26⅝	-⅛
21½	10⅞	Cinc Milac x	0.36	1.7	35	420	21⅛	20⅝	20⅞	+⅛
3⅝	1¼	Cineplex O			2	246	1⅜	d1¼	1⅜	+⅛
32⅝	26	Cipsco	1.92	5.9	15	374	u32⅝	32⅜	32⅝	+⅛
56⅞	22¼	Circuit Ct	0.12	0.2	25	2043	50⅞	49¾	50⅝	+½
60	35	Circus Cir			20	1699	44⅛	43	43½	+½
27	10⅜	Citicorp	1.00	3.8	19	11496	26⅝	26⅛	26⅝	
26⅝	21⅝	Citicp9.12	2.28	8.5		35	u26¾	26½	26¾	+⅛
82½	50⅝	CtcpPf2Ad	6.00	7.2		65	u84	82½	83	+½
93½	80½	CtcpPf3Ad	7.00	7.5		6	u93½	93	93½	+½
33	22½	Ctzn Utl A			23	150	u33	32½	32¾	-⅛
33⅛	22½	Ctzn Utl B	1.52	4.7	15	156	u33⅛	32⅝	32⅝	-½
16	4⅝	City Natnl	0.84	6.6	3	1091	10	9⅝	9¾	+⅛
15⅝	6¼	Claires St	0.10	0.7	21	482	15⅛	14⅝	15⅛	+⅛
28⅞	16½	Clark Equl			14	182	22¾	22⅜	22⅝	
26½	11	Clayton Hm			23	1619	24⅝	23	23½	-⅛
9¾	7½	Clemente G	1.05	12.4		95	8½	8¼	8½	-⅛
82½	83	Cleve7.56	7.56	8.7		23	87⅞	87⅛	87¼	+¼
40⅞	29½	ClevlCIf	1.20	3.6	13	833	34	33⅝	33⅝	-⅜
90½	82½	Clevld El	7.40	8.5		12	86¾	85⅞	86⅞	+1⅜
52	38½	Clorox Co	1.68	3.5	21	552	48⅛	47⅞	47⅞	
32¾	18¼	Club Med	0.30	1.3	12	65	23½	22¾	23⅜	+⅝
12⅞	11⅛	CNA Income	1.20	9.4		33	u12⅞	12¾	12¾	
17⅛	5½	Coachmen	0.18	1.0	14	11	16¼	16¼	16¼	
17⅝	8	Coast Sav	0.40	2.3	17	502	17½	17⅛	17⅜	-⅛
30	22	Coastal x	0.40	1.6	20	1002	25⅞	25½	25½	-⅛
45⅜	35½	Coca Cola	0.56	1.3	29	12863	42⅞	42⅜	42⅞	-⅛
18½	11¼	CocaClEn	0.05	0.4	127	1775	14¼	14	14	-⅛
18⅜	9⅞	Coeur Dain	0.15	1.1	267	327	13⅜	13	13½	+¼
64⅛	45⅛	Colgate P	1.24	1.9	21	7048	u64½	62⅞	64	+½
12½	11⅛	Colon Inv	0.83	6.7		48	u12½	12⅝	12⅜	-⅛
9⅝	8⅛	Colonial H x	0.68	7.5		235	9⅛	9⅛	9⅛	-⅛
7⅛	5⅞	Colonial I x	0.72	10.5		139	6⅞	6⅞	6⅞	+⅛
8⅝	7½	Colonial M x	0.64	7.5		105	u8⅝	8½	8½	-⅛
24	14	Columb Gas	2.32	10.0	12	568	23⅝	23¼	23¼	-¼
23¼	12½	Comdisco	0.28	1.6	38	572	17⅜	17	17¼	+¼
33⅛	28⅛	Comerica	1.02	3.1	17	3622	u33⅜	32⅞	33	+⅛
21¾	16¾	Cominco x	0.68	3.5	17	40	19½	19¼	19⅜	-⅛
28⅞	18⅞	Comml Met	0.52	1.9	23	34	27½	27⅛	27¼	-¼
19¼	5¼	Commodore			1	408	5⅞	d5¼	5⅜	
39¾	25¾	CwthE 1.42	1.42	5.3		z100	28½	28½	27	-1½
25½	22	CwthE 1.9	1.90	7.7		31	24⅞	24⅝	24⅝	-⅛
26	23⅛	CwthEd2.00	2.00	7.8	3	20	25⅞	25⅝	25⅝	
28¾	25¼	CwthEd2.37	2.38	8.4		7	28⅜	27¾	28⅜	+⅜
33	28½	CwthEd2.87	2.88	8.9		5	32¾	32¼	32½	-¼
40	21¾	Comnow Ed	1.60	5.8	13	2822	28	27½	27½	-½
15⅝	8⅜	Commun Psy	0.36	3.2	21	1301	11½	11¼	11¼	-¼
54⅞	34¼	Comsat	1.48	2.7	24	519	u55	54⅜	54⅜	-½
58½	22¼	Compaq Com			17	9025	45⅞	44⅜	44½	-½
2⅞	[illegible]	Comprehens			1	1128	[illegible]	[illegible]	[illegible]	
27⅞	10⅜	Comptr Ass	0.10	0.4	20	3819	25	24⅜	24¾	+¼
81½	57	Comptr Sci			18	482	74¾	73⅞	74	-⅞
10⅛	7	Comptr TGp	0.05	0.6	14	70	8¼	8	8	
35¾	24½	ConAgra	0.82	2.3	17	1839	27⅞	27	27	-½
28½	20	Connect NG	1.44	4.9	18	107	u29⅝	29	29⅝	+⅜
24⅝	18⅞	Connect En	1.28	5.3	14	43	24⅝	24⅛	24⅛	-⅜
25⅜	15⅝	ConnerPer			6	5196	18	17⅝	18	+½
69½	60⅛	ConsE4.65	4.65	8.7		z100	68¼	68¼	69½	+1¼
35¾	25	Cons Edison	1.94	5.5	14	1717	35½	35⅛	35⅛	-½
73½	63	Cons Ed Pf	5.00	6.8		10	u73¾	73	73½	+¼
20⅜	12½	Cons Frelg			30	762	18⅛	17⅝	17⅞	+¼
46⅝	33⅝	Cons Nat G	1.92	4.2	21	1095	46⅝	46¼	46¼	-⅛
59⅞	36¼	Cons Rail x	1.10	1.9	17	3226	57⅛	54⅞	57⅛	+1⅝
29⅛	10	Cons Store			23	1461	18⅛	18	18⅛	+¼
65⅞	20⅝	Conseco	0.10	0.1	12	2024	u67⅛	65	66⅞	+1⅝
32½	0	Constar In	0.36	1.1	21	89	u32½	32⅜	32½	
58	50½	CPwr 4.16	4.16	7.6		2	54½	53½	54½	
94	85½	CPwr 7.45	7.45	8.2		z100	91½	91¼	91¼	
94¾	87	Con P7.68	7.68	8.2		z100	93½	93½	93½	
29⅝	12½	Cont Medic			20	779	16⅜	16⅛	16⅛	
49⅛	33⅛	ContlBk Pf	3.75	7.8		19	48	47⅞	47⅞	-1
28	19	ContlBkPfA	2.25	8.4		73	27	26¾	26¾	-¾
24½	9¼	Cont Bk	0.60	2.5	7	945	24	23¾	23¾	-¼
34¾	22	Cont Corp x	1.00	3.6	20	471	28⅜	28	28⅜	-⅛
10½	6¼	Conv Hldg				141	u10½	10⅜	10½	+⅛
13	11	Conv H Pf	1.44	12.5		165	11¾	11½	11½	-¼
16⅜	4¾	Convex Com			52	327	5⅞	5⅝	5¾	
4⅞	[illegible]	Cooper Cos			0	329	[illegible]	[illegible]	[illegible]	
59¼	41¾	Cooper Ind x	1.24	2.4	19	2084	51⅞	50⅛	51⅞	+1⅝
36⅜	22	Cooper T&R x	0.18	0.5	27	2104	36⅛	34⅞	35¾	+¾
10¼	5⅜	Core Ind x	0.24	2.7	867	34	9¼	8⅞	8⅞	-⅛
40¼	28¾	Corning x	0.68	2.0	24	3747	35	33⅞	34¼	-⅞
16⅜	12⅝	Countr Tm	0.12	0.8		12	15¼	15⅛	15⅜	
35½	17	Country Cr	0.40	1.2	14	8317	u35½	33⅛	34⅝	
8½	4½	Country Mr	0.48	8.3	11	291	6	5¾	5¾	
18	11⅞	CousinsPr	0.68	3.8	20	70	17¾	17⅛	17¾	+⅞
15	7⅛	Craig			5	40	8½	8⅜	8½	+⅛
27⅞	21¾	Crane Co x	0.75	2.8	34	237	u27⅞	27¼	27¼	-⅛
30	17⅝	Crawford	0.44	1.9	20	48	23⅝	23¼	23⅝	+⅛
40½	19	Cray Res			61	1894	29¼	28¼	28⅝	-⅜
10¾	8⅝	CRI Insd M	1.08	10.0	13	150	u10¾	10⅝	10¾	
12⅜	9¼	CRI Liq Re	1.74	17.4	9	115	10	10	10	
24½	16	CromptonK	0.32	1.4	26	148	23¼	22⅝	23	-¼
41⅛	27½	Crown Cork			21	3156	38½	38⅛	38⅛	+¼
11⅞	7	CRS Sir	0.12	1.2	32	3	9⅝	9⅝	9⅝	
15½	2	Crystal Br	0.08	2.5	0	80	3¼	3⅛	3¼	+⅛
28¼	17¼	CUC Intl			51	729	u29¼	28⅜	29	+⅜
21¼	14⅞	Culbro	0.80	4.2	44	15	19¼	19⅛	19⅛	-⅛
58¼	42¾	Cumm En3.5 x	3.50	6.0		290	u59	57⅞	58½	+1⅛
87⅛	53¼	Cumm Engin x	0.20	0.2	25	1512	u89¼	86½	88⅞	+2¼
13⅞	12¼	Current In x	1.08	7.4	15	35	13½	13¼	13½	
40¼	27⅛	Curtis Wr	1.00	2.6	8	37	38⅛	37¾	37¾	
9⅜	4½	CV Reit	0.45	4.8	7	53	u9⅜	9¼	9⅜	+⅛
11⅛	5⅞	Cycare Sys			38	179	10⅜	10¼	10⅜	-⅜
18⅜	7⅛	Cypress Se			18	3284	10⅞	10⅛	10⅝	+⅞
64⅞	0	Cyprus3.75	3.75	6.5		579	57⅝	57⅛	57⅝	
38⅜	18½	Cyprus Min	0.80	2.3	5	3148	34⅞	32⅛	34⅛	+1⅝

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1992/93 High	Low	Stock	Div	Yld. %	P/E	Sls 100s	High	Low	Close Quote	Ch'ge Prev. Close
21¼	15½	DPL Holdg	1.12	5.5	15	1162	20¾	20⅛	20⅜	-⅜
18	7	Dallas Sem			20	2046	15	14¾	14¾	
49⅝	28⅞	Dana Corp x	1.60	3.5	24	2207	45⅞	44	45⅛	
29⅜	19¾	Danaher Co			26	464	27	26⅞	26⅞	+⅛
15⅞	10½	Daniel Ind x	0.18	1.5	29	99	12⅛	12	12⅛	-⅛
1⅞	[illegible]	Data Desig			1	35	1	1	1	
18⅛	7⅛	Data Gen			8	1502	13⅝	13⅛	13½	
6¼	1⅜	Datapoint			93	481	5⅜	5½	5⅜	
7⅞	5	Davis W&W	0.20	3.0	37	20	6¾	6¾	6¾	
85	58	DaytonHud	1.60	2.0	18	2366	80	78¾	79⅛	+1¾
101	92½	DytnPL7.7	7.70	7.6		z100	100	100	101	+1
100	89½	Dytn 7.48	7.48	7.7		z100	u100	100	97	-3
10¼	5⅝	De Soto	0.14	1.5	92	2	9⅛	9⅛	9¼	+⅛
31½	22¾	Dean Foods	0.80	2.1	18	156	28⅞	28⅝	28⅝	-¼
9⅞	8⅜	DeanWtrGv x	0.69	7.5		1336	9¼	9	9¼	+⅛
54	36¾	Deere	2.00	3.7	138	4001	u54¼	52½	54	+1⅜
2⅝	[illegible]	Del Val Fn			2	61	1½	1⅜	1½	+⅛
23¾	20	DelmrvaP&L	1.54	6.6	13	1112	23½	23⅜	23½	+⅛
75¾	45¾	Delta Air	0.20	0.4	4	3131	50⅞	49½	50⅝	+¾
22	11½	Delta Wdsd	0.40	3.0	10	258	13½	13¼	13½	+⅛
4⅛	⅝	Deltona			1	87	2⅞	2¾	2¾	
49	38⅛	Deluxe C P	1.40	3.3	17	831	43	42⅝	42¾	-¼
28	25¼	DetrEd2.28	2.28	8.9		3	25½	25½	25½	
33¼	25	DtEd2.75	2.75	10.7		4	25¾	25¾	25¾	
99	89¼	DetrEd7.45	7.45	7.5		6	u99⅞	99½	99⅞	+1⅞
100	92½	DetrEd7.68	7.68	7.7		z100	99⅞	99¾	100	+¼
108½	104	DetrEd9.32	9.32	8.6		3	108¾	106¾	107¾	
110	102½	DtEd9.72	9.72	9.7		2	105	105	100	-5
36⅞	30¼	DetrEd	1.98	5.4	9	3063	36⅜	36⅛	36½	-⅛
28⅞	20⅞	Dexter Crp	0.88	3.5	16	58	25⅜	25½	25½	
44	20⅛	Diag Prods	0.40	1.6	19	238	25⅜	25	25	-⅛
50⅝	33⅝	Dial CpDel	1.12	2.8	66	442	42⅞	42½	42½	-⅜
13⅝	8½	Dial Reit	0.88	6.9	79	1525	12⅞	12½	12¾	+¼
23⅝	15⅝	Diamond Sh	0.52	2.5	22	126	20⅞	20⅝	20⅝	+⅛
12⅝	1¾	Diana Corp			11	43	8⅛	7⅞	7⅞	+⅛
45	31⅜	Diebold	1.20	2.8	20	303	42½	41½	42⅜	+⅞
23⅝	13¾	Digital Cm			10	75	19½	19⅛	19⅜	+⅜
85½	30⅝	Digital Eq			2	6123	47⅛	46⅝	46⅝	+½
52⅛	30	Dillard Dp	0.08	0.2	21	3905	44¾	43¾	44⅛	+1⅝
9¾	3⅛	Dime Sv NY			20	786	9	8⅞	8⅞	
47⅞	28⅛	Disney Crp	0.25	0.5	28	11652	46	44⅝	45⅝	+1
2¼	[illegible]	Diversf In			0	57	½	[illegible]	[illegible]	
40	26	Dole Food	0.40	1.2	31	356	34½	33⅝	33⅞	-¼
44⅛	34⅛	Domion Res x	2.46	5.7	15	1233	43⅛	42⅝	43	-⅛
7¼	3⅜	Domtar Inc	0.25	6.6	4	9	4½	4¼	4¼	
40⅞	24½	Donaldson x	0.40	1.1	18	324	35⅝	35¼	35¼	-⅜
33¾	12	Donelley	0.52	1.7	19	2883	30⅛	29½	30	+⅜
47⅞	38¼	Dover Corp x	0.88	1.9	21	627	47⅛	46⅛	46⅞	+⅝
82⅞	51¼	Dow Chem	2.60	4.7	56	5693	55⅞	54⅝	55⅛	+⅛
35⅜	24½	Dow Jones	0.80	2.6	26	810	30⅞	30⅛	30½	+⅜
18⅞	11½	Downey S&L	0.32	1.8	6	347	17⅞	17⅜	17⅜	-½
99½	88½	DPL 7.375	7.38	7.4		z100	u99½	98½	99½	
36⅝	26⅞	DQE	1.60	4.6	13	596	35⅜	34⅞	34⅞	-⅝
10½	8⅝	Dravo Corp	0.62	6.2	19	229	10¼	9⅞	10	-⅛
23⅝	17¼	Dresser	0.60	3.2	27	2631	19¼	18⅝	18⅝	-⅜
48	33½	Dreyfus Co	0.68	1.7	16	459	39⅞	39¾	39⅜	
11	9½	Drfus Fd S	0.71	6.5		398	10⅞	10¾	10⅞	+⅛
12¼	10⅞	Drfus St G	0.96	8.2		59	11⅞	11¾	11¾	-⅛
11½	9⅝	Drfus St M	0.73	6.6		583	11¼	11⅛	11⅛	
72½	58¼	Du Pont4.5	4.50	6.3		3	72	71½	71¼	-1¼
39½	31⅜	DukePower	1.80	4.6	17	1667	39⅛	38⅞	38⅞	-⅜
104½	99	DukeP 7.8	7.80	7.6		2	103¼	103¼	103¼	+½
107½	100½	DukeP8.28	8.28	8.2		z100	101⅛	101⅛	101½	
5¼	3¼	Duke Realt	0.40	7.8	9	66	u5¼	5⅛	5⅛	-⅛
61¾	50⅝	Dun&Bradst	2.28	4.0	18	2130	56¼	56¼	56½	-⅛
54⅞	43½	Du Pont	1.76	3.8	32	12744	47¼	46⅜	46⅜	-½
27½	23½	DuqL 4.1	2.05	7.5		z100	u28	28	27½	
27½	24⅛	DuqL 2.10	2.10	7.9		3	27	27	26¾	
28	22½	Duqsn3.75	1.88	7.8		5	24½	24¼	24¼	
29	23½	Duqsne4.00	2.00	7.1		2	28½	28½	28	-½
28	24½	DuqL 4.2	2.10	8.2		2	u28	28	25½	-2½
27½	24	DuqsL4.15	2.08	7.6		2	26¼	26⅛	27½	+1½
96½	88	DuqL 7.2	7.20	7.7		2	94½	94½	89	
37⅛	24⅜	Duracell x	0.32	0.9	24	1940	34⅞	34⅛	34⅛	-½
10⅛	4⅞	DW Hth Sv			12	90	5⅞	5¾	5¾	
15¼	9⅞	Dynamics	0.20	1.4	16	z100	14	14	14	

- E -

1992/93 High	Low	Stock	Div	Yld. %	P/E	Sls 100s	High	Low	Close Quote	Ch'ge Prev. Close
4⅜	1⅝	ECC Intl	0.20	8.4	2	7	2½	2⅜	2⅜	-⅛
26¾	18	EG&G	0.52	2.2	15	538	23¾	23½	23½	
44⅝	30⅞	ESystems	1.10	2.9	11	692	38⅞	38⅜	38½	+⅛
5⅜	1	EaglePich			0	40	2⅜	2¼	2¼	
27¼	20⅞	East Utils	1.38	5.1	13	170	26⅝	26⅜	26½	-¼
28⅝	23½	Eastrn Ent x	1.40	5.1	16	829	27⅞	27¼	27¼	-⅜
54¼	37¾	Eastm Kodk x	2.00	3.7	17	5358	54	53⅜	53½	-½
83½	61¾	Eaton Corp	2.20	2.6	21	925	u84¾	82⅞	83⅞	+1½
27⅞	13½	Echlin Inc	0.70	2.8	19	1684	25½	24⅞	24⅞	-⅞
40⅞	26⅝	Ecolab Inc	0.76	2.1	18	253	37⅞	36⅞	37	-⅞
49⅛	31⅜	Edison Bro x	1.24	2.8	14	350	43¾	41½	43⅝	+2
32	17¼	Edwards x	0.60	2.4	10	843	25½	24⅞	25⅜	+⅜
14	6½	Ekco Group			14	297	11⅜	11	11⅛	
31½	7⅞	Elcor Corp	0.22	0.7	28	789	u31⅜	29¾	31¾	+¾
4⅛	1⅛	Elect Ass			1	10	1⅝	1⅝	1¾	
13⅞	4½	Elgar			2	49	9¼	9⅛	9⅛	-⅛
8⅝	4½	Elscint			24	341	6½	6¼	6⅜	+⅛
28¾	7¼	EMC Corp			35	1907	25	24½	25	+⅛
1	0	Emerald Hm			0	33	⅛	⅛	⅛	
8½	6⅛	Emerg Grmny	0.16	2.0		509	8	7⅞	8	+⅛
59⅜	46¾	Emerson El	1.44	2.5	19	2851	58	57¼	57¼	-¾
3½	1½	Emerson Rd.			2	481	1⅞	1⅝	1¾	-⅛
8¼	6⅜	EmprD4.75	0.48	6.7		z100	7⅞	7⅜	7⅛	-¾
24⅞	20⅛	Empire Dis x	1.28	5.5	18	169	23⅜	23	23¼	+⅛
64	8¼	Employ Ben			9	260	12½	12¼	12½	+⅛
38	25¼	Endesa ADR	1.10	3.0	9	965	35⅝	36⅛	36½	+⅜
21⅞	15	Energen Co	1.04	4.9	11	86	21⅝	21⅜	21⅜	
44⅞	20¼	Engelhard	0.60	1.5	27	1741	41¾	40	41⅛	+1⅛
21⅛	14⅞	Ennis Busn	0.54	3.2	14	34	17⅛	16¾	17	
375	215¾	Enron 10.5	10.50	2.9		100	368¾	366¾	366¾	
59½	30⅝	Enron Crp x	1.40	2.4	22	2161	58⅜	57¾	57¾	-½
38⅜	16⅝	Enron O&G	0.24	0.6	29	373	37⅞	37½	37½	-⅜
50	43	EnschAJ E	3.83	7.7		z100	49½	49½	49½	
94	77	EnschAJPE	7.00	7.5		8	93½	92	93½	
18¾	10⅜	Enserch Co	0.20	1.2	44	741	18	17⅜	17⅜	-⅝
9¼	6¼	Enserch Ex	0.30	3.2	48	23	9	9	9¼	
38½	26⅛	Entergy Co	1.60	4.5	14	2811	36⅛	35⅜	35¾	-⅜
22⅝	14¾	Enterra Co			21	536	20⅛	19¾	19⅞	
12¼	6⅝	EOK Green	1.10	9.9	79	431	11⅜	10⅞	11⅛	+¼
2⅞	1½	EOK Realty	0.10	3.8	1	8	2⅝	2⅝	2⅝	
22⅞	14⅝	Equifax	0.58	2.8	19	278	20⅝	20⅛	20⅛	
29⅞	7	Equimk2.31	2.31	9.1		53	25⅝	25⅜	25⅜	
8½	1.71	Equimk	0.16	1.9	22	1199	u8½	8¼	8½	
3	1⅝	EquitRE	0.50	21.1	79	52	2⅜	2⅛	2⅜	+⅛
38⅜	23⅛	Equitable	1.08	2.9	20	381	37⅞	37⅛	37⅛	-½
17⅜	7½	Esterline			12	6	9⅞	9¾	9¾	-⅛
30⅞	23⅛	Ethyl Corp	0.60	2.2	12	1694	28	27½	27½	-⅛
13¼	9¾	Europe Fd	0.88	7.7		67	11⅜	11⅛	11⅜	+⅛
18¾	17⅛	Excelsior	1.59	8.6		37	18½	18¼	18¼	
65½	53¾	Exxon	2.88	4.6	16	11415	64¾	63¼	63¼	-1¼

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1992/93 High	Low	Stock	Div	Yld. %	P/E	Sls 100s	High	Low	Close Quote	Ch'ge Prev. Close
3	1½	FAI Insur	0.28	16.6	0	50	1¾	1¾	1¾	
54	42½	FMC Corp			8	866	46¼	45⅜	46¼	+⅜
6¼	3⅞	FMC Gold	0.05	1.2	21	599	4¼	4⅛	4¼	
39⅝	32	FPL Group x	2.44	6.4	14	1573	38¾	38¼	38¼	-½
17⅜	15⅝	FT Dearbn	1.24	7.2		15	17¼	17	17¼	+⅛
47¼	10	FabriCent	0.12	0.8	21	88	14⅞	14⅝	14⅞	+⅛
40½	27½	Frchld 3.	3.60	10.0		20	36¼	36	36⅛	-⅞
9⅜	6⅞	Fansteel x	0.40	5.1	12	8	7⅞	7⅞	7⅞	
10¼	4⅜	Farah Inc			6	132	9¾	9⅜	9¾	
9.20	6¼	Fays Drug	0.20	3.0	12	242	7	6⅝	6¾	
52⅛	33⅞	Fed Hm Ln	0.76	1.6	14	4015	49⅛	48⅝	48⅝	-1
61	47	FedPB2.875 x	2.88	5.6		9	51⅛	51	51	
27½	18¼	Fed Rlty	1.54	5.7	66	300	27⅜	27⅛	27⅛	-¼
9⅞	3⅜	Fedders	0.48	7.4	5	362	6⅝	6½	6½	-⅛
60¾	34½	Federal Ex			28	2783	56⅛	54⅞	56⅛	+¾
20½	14½	Fed Mogul	0.48	2.9	[illegible]	60	16¾	16⅝	16¾	
83⅞	55⅝	Fed Nat Mt	1.60	2.0	13	8248	81⅝	79¾	80⅜	
33¾	23	FedPBoard	1.00	3.9	14	1769	26½	25⅞	25⅞	+⅛
24¼	18½	Federal Sg	0.48	2.0	23	425	23⅞	23⅝	23¾	
22¾	11¼	FedDeptSt			76	4918	20	19⅜	20	+⅝
34⅜	23½	Ferro Corp	0.48	1.6	16	552	31⅛	30⅜	30⅞	-⅝
26⅞	11⅞	Fieldcrest			14	164	26¼	26	26¼	
13½	7⅞	Filtertek	0.24	2.7	16	114	9⅛	8¾	8¾	-⅜
40⅝	25¾	Fingerhut	0.32	0.8	16	287	40¼	39⅜	39⅞	-⅜
42⅞	29	First Am B	1.40	3.4	13	439	42	41⅛	41⅜	-¼
31	23⅛	First Bk S x	0.90	2.9	28	881	u31	30⅞	30⅞	+⅛
9¼	7⅝	First Bost x	0.80	10.1		696	9	8⅞	8⅞	-⅛
11⅝	9⅛	Fst Bos St	1.05	10.0		158	10⅝	10½	10½	-⅛
32	23⅛	First Brnd	0.24	0.8	15	155	u32	31½	31⅝	
85½	61¾	FstChACPB	6.00	7.0		10	u86	84½	86	+½
50½	39	FstChACPC x	3.50	7.1		86	49⅝	49½	49⅝	
94	71½	FstCHacpC	6.50	7.0		4	u94	93	93	
44¾	23	First Chic x	1.20	2.9	11	1846	42¼	41¾	41¾	-⅜
50⅜	30½	First Fid	1.32	2.7	13	852	50⅛	49¾	49¾	-⅛
39¾	26⅝	Fst Fd 2.1 x	4.54	11.7		138	39⅛	38⅝	38⅞	+⅛
15¼	7⅞	First Fnl	2.08	14.1		46	14⅞	14¾	14¾	
44⅝	24¾	First Fn M	0.10	0.2	152	2388	41⅝	40½	41¼	+⅛
56	28¼	First Ints	1.20	2.2	16	4422	54	53⅝	53¾	+¼
46¼	32⅞	First IntB	3.08	6.7		61	u46¼	45⅞	46⅛	
14⅞	7¼	First Miss	0.30	3.2	73	59	9⅝	9½	9½	
13	8⅝	Fst Phil F	0.57	4.7		74	12⅛	12	12	-⅛
56¼	50⅞	First U Pf	4.15	7.6		45	54⅞	54¾	54⅝	-¼
11¾	6⅞	First U Rl	0.72	6.1	11	151	u11⅞	11¾	11¾	
49	29⅛	First Unio x	1.40	2.9	13	2344	48½	47½	47⅝	-⅝
40	23¼	First Virg	1.04	2.6	13	84	u40	39½	39½	-½
35½	23¼	Firstar Co	0.88	2.6	13	488	34½	33⅞	34¼	+⅝
104	91	Firstar Wi	7.28	7.2		3	101¼	101¼	101¼	
35	25¼	Fleet Finl x	0.90	2.6	19	1661	34½	34	34⅛	-⅜
26⅞	12⅝	Fleetwood	0.25	1.2	17	1269	21⅝	20¾	20¾	-⅛
35⅛	27¼	Fleming Co	1.20	3.6	10	2975	34	33¼	33⅜	-½
55⅛	34	Flightsfty	0.36	0.9	16	2363	40½	40	40	-½
35¾	27⅞	Florida Pr x	1.94	5.5	16	401	35¼	34¾	35	-¼
21¼	14¾	Flowers	0.74	4.0	16	288	18½	18¼	18⅜	-¼
48⅛	36¾	Fluor Corp	0.48	1.1	26	1212	45¼	44⅜	44⅞	-⅝
35	23	Foote C&B	1.20	3.4	21	16	u35¼	35⅛	35¼	+¼
8¼	5	Foothill G			9	143	7⅞	7¾	7¾	-⅛
50⅞	27¾	Ford	1.60	3.2	33	19977	49⅞	48⅛	49¾	+1⅞
11¾	11	Fortis x				36	u11¾	11⅝	11⅝	
32¾	23	Foster Whe	0.60	2.0	23	796	30⅝	29¾	30	-¼
11¼	8⅝	France Gro	0.04	0.4		318	10¾	10½	10¼	+⅛
8⅜	7⅜	Frankl Pr x	0.80	7.4		372	8⅛	8	8⅛	+⅛
40½	22¾	Frankl Rs	0.28	0.8	22	410	37¼	36¾	36⅞	+⅛
33⅞	25⅞	FredMeyer			14	83	30⅜	29⅞	30	
10½	5⅛	FrederickS	0.05	0.7	12	21	7¼	7¼	7¼	+¼
47¾	36½	FreepMcMPt	1.88	4.4		4	42½	42¼	42¼	
22½	16½	Freep McM	1.25	6.5	16	2896	19⅞	19⅛	19⅜	+¼
63½	43½	FstCh3.75 x	3.75	6.3		8	59¾	59⅛	59½	-¼
75	62½	FundAmEnt	0.68	0.9	101	125	74⅛	73⅞	74⅛	+¼
17⅛	9⅝	Fuqua Ind	0.36	2.8	20	205	13⅛	12⅞	13	-⅛
14⅝	10⅞	Future Gmy	0.28	2.2		322	13⅛	12⅞	13	

- G -

1992/93 High	Low	Stock	Div	Yld. %	P/E	Sls 100s	High	Low	Close Quote	Ch'ge Prev. Close
52½	44	GATX 3.875	3.88	7.5		8	52¼	52	52	-¼
36	24¼	GATX Corp x	1.40	3.9	43	199	u36	35¾	35⅞	-⅛
67⅝	39½	GEICO Corp x	0.60	1.0	25	51	62¾	62	62	-¾
7⅛	2⅞	GRC Intl			11	233	6¼	6	6	-¼
58	45¾	GTE $2 CCP	2.00	3.7		2	u56	56	53⅞	-2⅛
37¾	28⅞	GTE	1.82	5.1	18	10578	36⅝	35⅜	35¾	-⅝
35⅛	31⅛	GTE 2.475	2.48	7.3		17	34⅛	33⅝	34⅛	+½
19½	16⅛	GTE F 1.25	1.25	6.5		15	u19¼	19	19¼	+⅛
11½	9¼	Gabelli Eq	1.24	10.8		675	u11½	11⅜	11½	
35	21	Gallagher	0.64	1.9	21	73	34⅜	34	34⅜	+⅜
14⅜	7	Galoob Lw	1.70	17.2		26	10	9⅞	9⅞	-⅛
5⅛	3	Galv Hstn	0.04	1.0	11	68	4	4	4	
56⅜	41¼	Gannett Co	1.28	2.6	20	2820	50¼	49⅞	49⅞	-½
59⅞	28⅛	Gap Inc x	0.32	1.0	20	5271	33⅞	32⅛	32⅞	-½
14	11⅞	Gemini II	1.00	7.9		70	12⅝	12½	12⅝	+⅛
18⅛	12¼	Gemini II	0.30	1.7	7	269	17½	17¼	17½	+⅛
15⅝	8⅞	Gencorp	0.60	4.6	16	871	13⅜	12¾	13⅛	+¼
30⅜	25⅞	Gen Am Inv	4.95	18.4		93	27	26¾	26⅞	+¼
38⅛	18	Gen Cin	0.56	1.6	23	1152	35¾	35⅛	35⅛	-⅜
119½	53⅜	Gen Dynam	1.60	1.4	17	304	117	115⅛	115⅝	-½
87¾	72⅞	Gen Elec x	2.52	2.9	15	11842	86⅛	84⅜	85¼	+¾
10⅝	8⅞	Gen Host	0.36	3.8	55	472	9⅜	9¼	9⅜	
21	12⅝	Gen House	0.32	1.7	14	31	19⅛	19	19⅛	+⅛
75⅞	58¾	Gen Mills	1.68	2.3	22	2550	72¼	71½	71¾	-½

Continued on next page

NYSE COMPOSITE PRICES

1992/93 High	Low	Stock	Div	Yld. %	P/E	Sls 100s	High	Low	Close Quote	Ch'ge Prev. Close
Continued from previous page										
22⅝	14⅞	Raddick	0.24	1.1	16	9	22	21⅞	22	
37	18	RussBerrie x	0.70	3.2	5	1019	23	22	22	-⅞
40⅝	27¾	Russell Cp	0.36	1.1	16	434	33⅝	32½	32⅞	-½
32¼	19⅝	Ryder Syst x	0.60	2.0	20	1071	29¾	29	29¾	+⅛
28	18	Ryland Grp	0.60	2.8	12	812	21½	20⅞	21½	+⅝
- S -										
21¼	16⅞	S Anita Rt x	1.38	6.5	28	145	20⅞	20⅝	20⅞	+¼
20⅝	13⅛	SCOR US Cp	0.28	1.4	51	z100	20½	20½	20½	
29½	19	SPS Techno	1.28	5.2	17	3	24½	24½	24⅝	
15⅛	12⅛	Sabine Rt	1.25	9.4	10	15	13¼	13¼	13¼	
11⅞	7¾	Safecard	0.10	1.0	13	213	10⅜	10⅛	10⅜	-⅛
23½	11⅛	Safeg'd Sc			11	14	21¾	21½	21¾	+⅛
32¼	20	SafetyKln	0.36	1.6	26	601	22¾	22⅛	22¼	-½
20¼	9⅛	Safeway			14	763	11⅞	11⅝	11¾	+⅛
4⅝	2	SafewayW98				27	2½	2⅜	2⅜	-⅛
41⅞	29⅞	StJoePaper	0.20	0.5	79	62	41	40⅝	40¾	-¼
36	28⅞	StJoeLP	1.76	4.9	19	10	36	35¾	35⅞	-⅛
83¼	66½	St Paul's	2.80	3.6	20	510	77¾	77⅛	77⅝	+¼
10	2⅞	Salant Crp			6	38	8⅞	8¾	8⅞	
76	45½	Sallie Mae x	1.20	2.4	12	4420	51⅞	50⅞	50⅞	-⅝
14⅝	13	Salomon Br	0.61	4.5		286	13¾	13½	13⅝	
41⅞	26¼	SalomonInc	0.64	1.6	9	1782	40½	39⅝	40⅜	+⅛
39⅝	21¼	SanDgo G&E	1.44	5.6	14	158	26	25¾	25¾	-⅛
4⅞	2⅞	SantaFeEDs	0.40	9.7	45	6	4¼	4⅛	4⅛	
[illegible]										

AMEX COMPOSITE PRICES

4 pm close March 5

[illegible]

NASDAQ NATIONAL MARKET

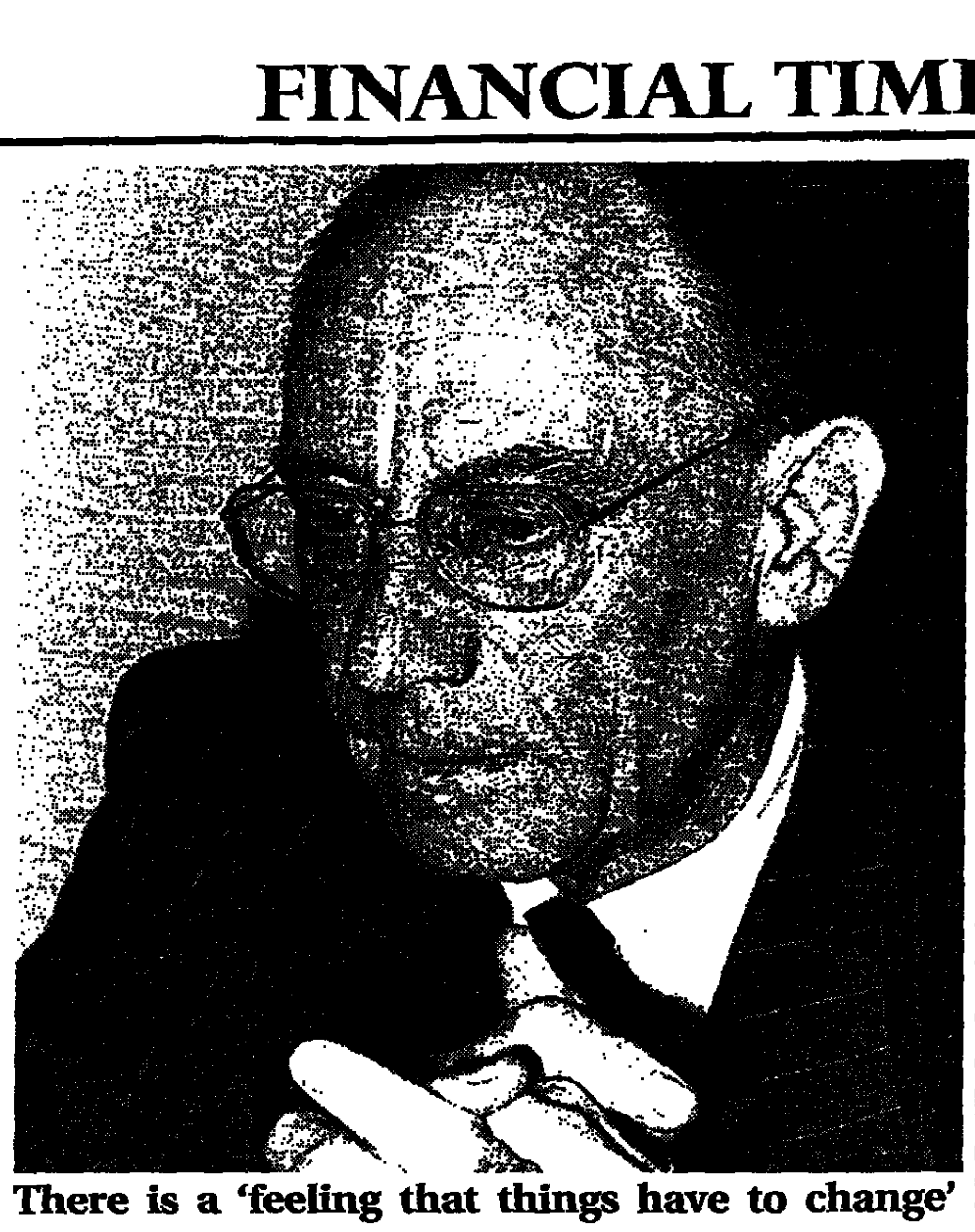
4 pm close March 5

[illegible]

MONDAY INTERVIEW

No time like the present

Edzard Reuter, chairman of Daimler-Benz, talks to **Christopher Parkes**



There is a 'feeling that things have to change'

Edzard Reuter, chairman of Daimler-Benz, has been preaching revolution for years. Now he has decided that the time and the conditions are right for action. Off his soapbox and up in arms, he has set about transforming the strategy and culture of Germany's biggest industrial group.

"We *now* have the impression that the time has come when we can really implement radical changes of a dimension and kind we had perceived as necessary earlier," he says.

Appropriately enough, his more public actions have been focused on the elite Mercedes-Benz car division. This is to expand "horizontally" in its upmarket niche, he says. The traditional range will be extended with a leisure vehicle, a people carrier, and a new compact car below the current entry-level 190 series, and embellished with more coupé versions of the existing models.

If not quite revolutionary, he insists that the switch is nonetheless a "very courageous adaptation" which should not be seen as an attempt to clash head-on with typical full-range manufacturers. "We would never try to get our fingers into the mass production business," he promises.

In one sense, Mercedes will remain as it was: "A car producer in the upper market bracket, aiming at well-to-do customers, producing the highest-quality cars at the highest technical level – but at a price affordable to the necessary number of people." As a result, unit output will increase "quite visibly".

Strategy has changed because markets and the world have changed, he says. "Competition in our traditional market segment has increased dramatically. We have to face worldwide competition from people working on different cost assumptions and in different situations."

These are the factors steering the group's change of direction and which have obliged Mercedes in the first instance to reject the ancient dogma which insisted that its cars must always bear the "Made in Germany" label. "These additional vehicles probably have important markets outside Germany or even outside Europe. This means that for exchange rate reasons alone we needed to consider producing abroad," he says.

Accordingly, there is a fair chance that a decision will be made later this year to build leisure vehicles in the US, Reuter adds. Meanwhile, small-scale car assembly is just starting up in Mexico. A joint venture with Ssangyong in Korea could also extend the brand's reach into new markets.

People carriers, compact cars and installing capacity close to markets are hardly new concepts, and Reuter admits Mercedes has been late to move because it was hobbled by dogma.

But that was only part of the problem, and rejection of fixed ideas is only part of Reuter's response. Throughout the group he has implemented measures to slice through the bulky bureaucracy built up since the second world war, and decentralise the entire business. "We want to give more responsibility to more people and ask them to participate in the success of the company themselves," he says.

Such moves lie at the heart of the revolution which has been waiting until now to happen. Again, they are hardly new, but Reuter's ability to introduce them has been hampered in the past by the difficulties of pinpointing the moment when there was the best chance of achieving the necessary company-wide consensus – one element in German management practice which remains inviolable.

"Lean management used in this context is only a very rough description of what is going on – what we are aiming at is a change of behaviour," he says.

Postwar German attitudes to work and responsibility have been conditioned by continuous economic growth, occasionally interrupted by very short periods of slowdown, he notes. "At the same time, there has been a steady increase in well-being. That apparently has come to an end for the time being."

The arrival of recession, heralded by the group's announcement last year of the loss of almost 40,000 jobs, has fulfilled one of the conditions necessary for Daimler's domestic revolution – and possibly for sweeping changes in attitudes throughout the rest of German industry and society.

The slump's coincidence with growing awareness of the international competitive threat to Germany, plus the harsh economic realities of unification have "added to the general feeling that things have to change", he says.

Now that his strategy is clearly defined, he is talking again, taking his soapbox to every level of the company, "talking to hundreds of people, for hours and hours... talking and taking decisions. But decisions alone are not enough," he admits. "People must understand the necessity to change their behaviour. I may be over-optimistic, but I think this company is on its way."

PERSONAL FILE

- **1928** Born Berlin.
- **1933** Moved with family to Turkey after his prominent Social Democratic father Ernst Reuter was persecuted by Nazis.
- **1946** Returned to Berlin, joined SPD.
- **1957** Joined Ufa film company.
- **1962** Joined Bertelsmann.
- **1964** Joined Daimler-Benz.
- **1976** Daimler board member.
- **1987** Daimler-Benz chairman.

Other companies are moving, too. By the end of 1994, he says, the German motor industry will employ 300,000 fewer workers. He insists that rationalisation has to be accepted in Germany as a "normal development", but he refuses to speculate on the political implications of rising unemployment.

"All I can say is we need an economic policy aimed at growth." He seems to despair of such action from Bonn where he sees "a vacuum caused by the sudden impact of unification and the drama of the economic collapse". Government failure to develop convincing measures has led to politicians losing all credibility, he says. Instead, he turns hopefully to Europe. "Look at France. The economic, political and unemployment situation is at least as tense as in Germany. Look at Italy, not to mention the UK."

No individual government has been able to find answers. Protectionism is out of the question and any government trying to buy its way out of trouble by spending huge amounts of public money risks ruining its country. "There is no alternative. The answer must be that we press on to economic and monetary unification. But the Community must also talk seriously about an industrial policy. The root of our problems lies in the lack of convincing European solutions," he says.

Reuter dislikes the *dirigiste* ring of the term "industrial policy". But, he insists, "one will never be able to find a perfect way of running a free market without any kind of framework".

Indispensable elements would include common income and value-added tax systems, a regional policy to iron out structural economic distortions such as imbalances in employment patterns, and a joint, measured approach to research and development.

"I am talking about a market economy governed by a pragmatic, professional approach ...We need further policy co-ordination and this can only be achieved with a common European currency," he concludes.

With his unshaken belief in the capacities of European integration and frustrated by the lack of activity and even comprehension in Bonn, Reuter appears for the moment a lonely figure. But on the basis of the popular belief that what is good for Daimler is good for Germany, and the more reassuring premise that he has the full support of Deutsche Bank (Daimler's biggest shareholder and the leading power broker across the upper reaches of German industry), he is unlikely to be short of followers for long.

An admirer describes him as "a true architect of German culture", which probably suits this modest intellectual better than the "revolutionary" tag. But like a true revolutionary, Reuter has recognised that timing is everything. Those who get it wrong – be they in politics or business – are the ones whose heads finish up in the basket.

Politics in the age of the microchip

MICHAEL PROWSE
on
AMERICA

It matters that Mr Al Gore, America's vice president, cares passionately about technology. One of the peculiarities of modern politics is that most politicians spend most of their time on issues that have little or no bearing on the future prosperity of their nations. Diplomacy, for example, continues to outrank economics and finance, which in turn outrank science and technology. Yet we are living in the age of the microchip not the age of Metternich. Since the great depression, technological change (something beyond the ken of diplomats and economists) is reckoned to have accounted for about two thirds of the rise in global living standards.

One reason for being confident about America's long-term future is the attention it is now paying to technology. The Clinton-Gore policy paper Technology for America's Economic Growth signals a fundamental shift in US priorities. During the cold war, technology policy was driven by a desire to maintain a military lead over the former Soviet Union. The US ploughed huge sums into two areas – basic science and defence research and development. By any standards, the policy was a resounding success. US academics head the Nobel prize lists in every category of basic science while the Pentagon enjoys a near monopoly of the world's smartest weapons.

But with US industrial dominance taken for granted, no attention was paid to economic competitiveness. Last year only 2 per cent of the $73bn federal R&D budget was spent on projects relevant to manufacturing industry. Total spending on civilian R&D accounted for only 1.9 per cent of national income, against 2.7 per cent in Germany and 3.0 per cent in Japan.

The Clinton administration is determined to make industrial expansion the main goal of federal technology policy. Free market economists are making the predictable response, which is that the lure of big profits will always be the most effective spur to commercial innovation. They are correct, but they are wrong to imply there is nothing government can do to help. Many of the most important technologies of the 20th century, including computers and jet engines, were initially wholly dependent on the public purse.

The Clinton-Gore technology plan is deliberately modest in scope and seems to avoid many of the pitfalls of old-style industrial policies. It envisages additional spending of only $17bn over four years – hardly an irresponsible goal. It recognises that the military R&D machine can be wound down only gradually. The civilian share of the federal R&D budget is projected to rise from about 40 per cent to just over 50 per cent by 1998. Over time, the network of 700 federal laboratories will be expected to devote up to 20 per cent of their budgets to R&D partnerships with industry, against less than 5 per cent today.

The strategy admittedly does not entirely avoid the error of trying to pick winners – Washington wants to help US industry develop new "clean car" technologies. But the single biggest boost to civilian innovation is a research and experimentation tax credit worth about $2bn a year which will not discriminate between different sectors.

There are, moreover, at least two big ideas that could pay off handsomely. The first is the national network of "information superhighways" long championed by Mr Gore. Drawing an analogy with publicly subsidised railways in the 19th century, Mr Gore believes that huge productivity gains will be possible if all businesses, government agencies, schools and households can ultimately be linked in a national fibre optic grid. The plan is to provide modest subsidies for groups wanting to tap into such a communications network, thus giving the private sector an incentive to accelerate plans for its construction. As with the big infrastructure projects of the past, information superhighways could spur a new generation of commercial technologies.

The other big idea also draws on an historical parallel. US farms achieved huge gains in productivity this century partly as a result of agricultural "extension" services that ensured rapid dissemination of new technologies and management techniques. Building on past pilot projects, the Clinton administration wants to create a national network of manufacturing extension centres to make sure that the nation's 360,000 small and medium-sized manufacturers have access to the latest technologies and training techniques.

The Clinton-Gore plan will also promote so-called "agile manufacturing" programmes and "regional technology alliances". The idea is to use the flexible corporate relationships pioneered in dynamic regions such as Silicon Valley as a template for general industrial development. It will thus encourage the formation of regional clusters or networks of companies and research institutes to share information and jointly develop new products and markets.

The Clinton administration's attempt to reorient US federal science and technology policy is still at the embryonic stage. But it would be a mistake to assume it will be counter-productive just because interventionist policies have a mixed record in Europe and Japan. On the contrary, what is now happening in the US may well become a model for a new breed of intelligent industrial policies – that is if politicians wake up to the importance of science.

Prices for electricity determined for the purposes of the electricity pooling and settlement arrangements in England and Wales.

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The bogeyman will be back

IAN DAVIDSON
on
EUROPE

After the British government's latest reprieve in the interminable struggle over Maastricht in the House of Commons, it begins to look as if the treaty may eventually be ratified. If that should be the outcome – the battle is far from over – it would be a realistic but unenthusiastic expression of the balance of opinion in parliament. Many of its members dislike aspects of the treaty, but only a small minority dislike the whole thing so passionately that they welcome the opportunity to challenge Britain's membership of the European Community.

The conclusion of the ratification process would therefore be a relief all round; but it would not be the end of the story.

If the government imagines that the controversy over the objectives of Maastricht will be put to sleep by ratification, it is deluding itself. Europe has long been a malicious bogeyman for the British, and it will leap right out at them again, not in some distant future, but immediately and repeatedly; and it will continue its haunting until the day (if it ever comes) when the British political establishment finally resolves its ambivalent feelings about the European Community, one way or another.

Second, the surreal procedural by-ways along which the House of Commons is crawling towards ratification must raise questions about the credibility of those very constitutional arrangements of national sovereignty which the British Euro-sceptics so fervently profess to defend.

Last week provided a striking example of official procedural jiggery-pokery. The Labour party had fashioned an amendment attacking the government's opt-out from the treaty's social chapter. Through a de facto alliance between Labour and the Euro-sceptics, it looked as though this amendment might bring down the treaty. But lo and behold, the government was miraculously saved because the deputy speaker ruled that the amendment was out of order. He gave no explanation, but his reason was said to be that the amendment was unacceptable because it was critical of the treaty. This interpretation is bizarre, perverse, incredible; which does not mean that it is not true.

Even without Maastricht, the case for constitutional reform was already on the agenda, at least for the Labour party and the Liberal Democrats. Mr John Smith, the Labour leader, last week set out a long list of desirable reforms, including the election of the House of Lords, protection of human rights and freedom of information.

But Mr Smith's list also included reforms to bring Britain up to date in its constitutional relationship with Europe. The restoration of strong local government, and the creation of strong regional government, may have their own domestic justification; but Mr Smith also argued the case as part of a four-tier European structure of government, of which the nation-state would be only one tier.

As it happens, the Maastricht treaty will require the establishment of a committee of the regions, to which each member state will nominate a national contingent. This will be simple for Germany, France, Spain or Italy, because they have regional governments of various kinds. But it will be a poser in Britain, which has no regional governments in England, and only paternalistic substitutes in Scotland, Wales and Northern Ireland.

In any case, British ratification is not the end of a story, just the beginning. Before the end of this year we shall be plunged into a new debate on the objectives of the treaty; before the middle of next year, we shall be engaged in renegotiating it; and that means we shall have to go through parliamentary ratification again.

First, there is bound to be a far-reaching reassessment of the credibility of the programme for economic and monetary union. It cannot easily take place in public until there is complete ratification, for fear of frightening the voters or encouraging the speculators; but it may be precipitated if the next French government presses for an accelerated rapprochement with Germany.

Second, the negotiations for the admission of new member states, starting with the west European candidates from Efta, are bound to set off a serious re-examination of the general objectives of the treaty, and in particular its institutional arrangements.

Ostensibly, the candidates will disclaim any demand for British or Danish-type opt-outs. They can hardly avoid a debate about the treaty's long-term aims.

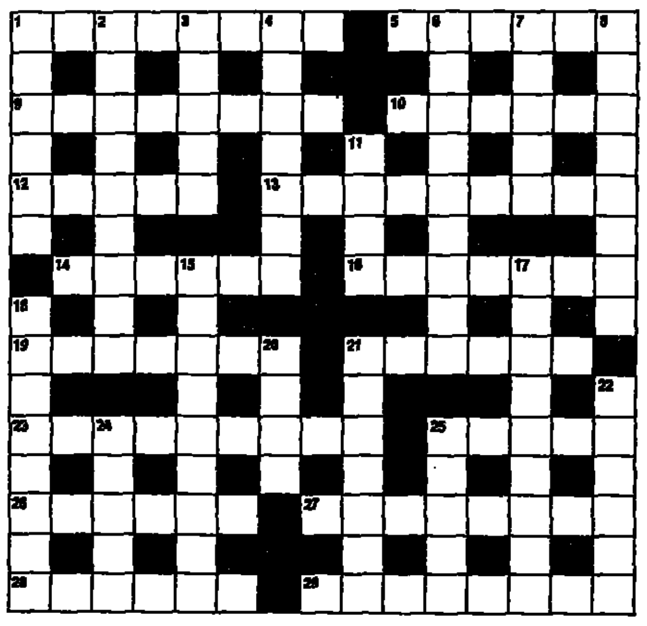
The institutional question will be more controversial. At present, the weighted votes in the Council of Ministers are heavily skewed in favour of the smaller member states, in comparison with their share of EC population. Officially, the Community has disclaimed any desire to change the voting weights. The candidates would join with the same votes as comparable existing members.

The problem is that all present candidates, and almost all future candidates, are small countries. The official position is really just a polite fiction which must be kept up until Denmark's second referendum on May 18. But the voting weights *must* be changed, because the big countries will not agree to the progressive domination of the small, especially since the political commitment of the new members is at least open to question.

In logic, the small countries should demand some political compensation for a cut in their votes; this could take the form either of a strengthening of the role of the European Parliament, or of an increase in *unweighted* majority voting. Either way, the enlargement treaty, which must be ratified in parliament, will pose a serious dilemma for the British government.

CROSSWORD

No.8,095 Set by ALAUN



ACROSS

1 Once meant a period in jail (8)
5 It gives the compiler severe headache (6)
9 Be responsible for changing the rule (8)
10 Write in French "No colours" (6)
12 Bring back a violin that may be played (5)
13 Trouble there will be if you buy the infernal thing (4,2,3)
14 Leave to get a rope (6)
16 A popular resort and sadly so, I put in (7)
19 Without an escort and of indeterminate age (7)
21 Goods from France on sale at the confectioner's (6)
23 Spreading out a number (9)
25 Count, perhaps, a boxer is happy to take (5)
26 Make copies and skedaddle (3,3)
27 Dug the spurs in and lashed (4,4)
28 Are huddled inside, out of the rain but miserable (6)
29 Asked to see the damn contrivance in action (8)

DOWN

1 Retiring also inside to have a drink (6)
2 The way trade fluctuations had lessened (9)
3 Sounds and signs that mean everything's all right (5)
4 Chosen to compete against, all the same (7)
6 Result of giving the pupils too much work (9)
7 In the preliminary period, taking a trip north (3,2)
8 Tin with brass in it (5,3)
11 Run away, you report, with a circus performer (4)
15 Taking the place of, at some stage (6,3)
17 A little assistance is required with the secretarial work (9)
18 Having had no crossed lines (8)
20 Stand up, the one in blue (4)
21 Give the musicians time to dress (7)
22 Went really fast but was beaten (6)
24 Was in the past and will be in future nervous (5)
25 A foreign character volunteers (5)

The solution to last Saturday's prize puzzle will be published with names of winners on Saturday March 20.